FBIS DAILY REPORT

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SENATOR: RESUMPTION OF RELATIONS WITH UK POSSIBLE

PY240140 Buenos Aires CLARIN in Spanish 23 May 87 p 9

[Text] Senator Adolfo Gass (Radical Civic Union, Buenos Aires) said yesterday that commercial and diplomatic relations with Great Britain could be rapidly reestablished if London would agree to initiate talks in which the Malvinas sovereignty issue need not be included immediately.

The chairman of the Senate Foreign Relations Committee said, "if the current British Government would agree to sit at the negotiating table, I am convinced that commercial and diplomatic relations could be rapidly resumed and the Malvinas sovereignty issue could be put off until later."

Relations between the countries have been severed since the 1982 Malvinas war. Buenos Aires has been claiming sovereignty over the Malvinas for 150 years.

During an interview with British journalists visiting Argentina, Senator Gass said, "the only thing we need is a gesture that the sovereignty issue will be discussed some time."

Gass also expressed hope that the winner of next month's elections in Great Britain will allow an Argentine congressional delegation to go to London for talks.

OFFICER REPORTEDLY REFUSES TO DEFEND CONSTITUTION

PY251500 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1308 GMT 25 May 87

[Text] Buenos Aires, 25 May (NA) -- Army Staff sources said this morning that if the newspaper report saying that Major Eduardo Villareal refused to swear to defend the Constitution is true, he will be relieved from his post. Villareal is the deputy commander of the 37th Infantry Brigade of Rio Mayo, Chubot. [passage indistinct]

Army Staff officers this morning contacted the V Army Corps, seated in Santa Rosa, La Pampa, in an attempt to confirm the report.

The daily AMBITO FINANCIERO reported that "Villareal, along with almost all the officers and half of the noncommissioned officers of his brigade, refused to defend the Constitution with their lives."

The newspaper reported that Lieutenant Colonel Julio Lagos, commander of the 37th Infantry Brigade, was allegedly informed of this decision just 1 day before the 25 May Independence Day celebrations are scheduled to take place at the military parade grounds.

Officer Arrested

PY260040 Buenos Aires DYN in Spanish 0000 GMT 26 May 87

[Text] Comodoro Rivadavia, 25 May (DYN) -- A reliable military spokesman has confirmed that Major Eduardo Villareal, deputy commander of the 37th Infantry Regiment located in Rio Mayo, was arrested tonight and placed at the disposal of the military courts.

Villareal has been at the 9th Infantry Brigade Command in Comodoro Rivadavia ever since he was dismissed from his command yesterday for refusing to swear to defend the Constitution in keeping with Law 23,469.

The case file regarding Villareal's arrest was sent to Buenos Aires, and the military courts have been informed about the situation. It has been learned that on orders from Army Chief of Staff Jose Dante Caridi, a superior officer from the brigade command has been appointed to carry out the pretrial inquest.

It has also been learned that the behavior of another officer of the Rio Mayo Garrison is also under investigation. This officer has reportedly visited several units of the 9th Brigade to urge them to refuse to swear to defend the Constitution.

The different unit commanders were instructed tonight through the military network to report similar incidents in their respective commands.

ALFONSIN, URUGUAY'S SANGUINETTI EXCHANGE GREETINGS

PY251653 Buenos Aires TELAM in Spanish 2227 GMT 24 May 87

[Text] Buenos Aires, 24 May (TELAM) -- The presidents of Argentina, Raul Alfonsin, and of Uruguay, Julio Maria Sanguinetti, exchanged greeting the peoples of both countries before the visit of the Argentine president to Montevideo on 25 May.

The Presidential Press Office reported that Alfonsin sent a message to Sanguinetti expressing his wish to meet everyone, in order to continue talks on subjects of common interest such as the consolidation of democracy, peace on the continent, and Latin American integration.

Alfonsin said: I think this meeting will allow us to continue what we started some time ago in Colonia and continued in Olivos. It will be the symbol of the necessary integration we are seeking for our continent as the only way to overcome stagnation and to attain more effectively a new international economic order. This economic order will bring justice to economic relations, and consequently, will strengthen world peace.

Alfonsin also said that Uruguayans and Argentines share their history. We have a present that unites us, and without a doubt we share our objectives for the future, and we will attain them with the effort and participation of our peoples, as wished by Artigas and dreamt by Moreno. Without a doubt, we are willing to work together for our future development within a framework of democracy and freedom.

In turn, Uruguayan President Julio Maria Sanguinetti told the Argentine people a few hours before Alfonsin's arrival that the Uruguayan Government and people will receive Alfonsin with great happiness.

Sanguinetti said it is not by chance that this visit starts on the 25 May, because we wanted to have the pleasure of celebrating Independence Day together with Argentina. The date 25 May is not only an Argentine date, it is a continental date, and Uruguay has commemorated it for a century. This date is a landmark in the history of the River Plate basin in which [words indistinct] of a process we lived through together.

President Alfonsin's visit is important for Uruguay. It represents the unity between our peoples. This unity was increased and consolidated more than ever recently, under the sponsorship of two democratic governments that have worked together, with a firm spirit of integration and with the hopes for the results evidently attained today.

PRESIDENT ALFONSIN DEPARTS FOR URUGUAY 25 MAY

PY251451 Buenos Aires DYN in Spanish 1436 GMT 25 May 87

[Text] Buenos Aires, 25 May (DYN) -- President Raul Alfonsin today said that "each time we meet with the Uruguayan and Brazilian presidents we take another step toward the integration we need to overcome Latin America's stagnation."

In a brief statement, which he made at the Metropolitan Airport before boarding the airplane Tango-02 for a 3-day visit to Uruguay, Alfonsin expressed his "happiness for the chance to visit a sister people with whom we are so close, and a country that has consolidated democracy."

The presidential plane departed from the military sector of the airport at 1130 [1430 GMT] after a ceremony in the VIP room in which Vice President Victor Martinez became interim president.

FURTHER ON REPERCUSSIONS OF DUE OBEDIENCE BILL

Radicals Defend Original Bill

PY221724 Buenos Aires BUENOS AIRES HERALD in English 22 May 87 p 11

[Text] (NA-DYN) -- Lower House Speaker Juan Carlos Pugliese yesterday confirmed that the government is convinced it will be able to sanction the Due Obedience Bill as it was passed by the deputies without any amendments which may be introduced by the Senate, where it is to be debated shortly.

Pugliese revealed that the Lower House Radical bloc has already reached an agreement with the Renewal Peronist caucus to insist to the sanctioning of the original bill.

He said Lower House majority leader Cesar Jaroslavsky (Radical-Entre Rios) would keep to his decision to reject an amended bill. Jaroslavsky was reported to have reached an agreement to that respect with the Lower House Orthodox Peronist bloc.

Orthodox Peronist Senator Alberto Rodriguez Saa (San Luis), chairman of the general legislation committee, said his bloc would reject the bill on first and second reading.

He also pointed out that (Defence Minister Jose Horacio) "Jaunarena did not convince us in yesterday's secret session of the urgent need to pass the bill."

Jaunarena, meanwhile informed President Raul Alfonsin of the meeting with the bloc presidents of Wednesday, but refused to comment on the president's reactions.

Radical Senator Ricardo Laferriere (Entre Rios) said the government's urgency in passing the bill was not due to military pressure but to the fact that "every day that passes" without resolving the problem "a conflict can arise from any given situation."

Laferriere also said that there were two military lobbies at work, "one seeking an amnesty" and "an ultrarightist one seeking the global questioning of the high commands and the breaking down of the chain of commands so as to make the forces uncontrollable."

Army Deputy Chief-of-Staff General Fausto Gonzalez revealed that if the Due Obedience Bill is sanctioned with no amendments "it could lead to split of unconvenient consequences within the force," in interview with EXPRESO magazine.

Peronist congressional candidate Carlos Ruckauf said yestrday "there is no possibility of a coup d'etat in Argentina, but there are beginning to be politicians who believe in coup mongering," in obvious reference to former President Arturo Frondizi's recent statements in favour of a general amnesty.

The Union for a New Majority Studies Centre, which is led by Corrientes Governor Jose Romero Feris, once again proposed that the extent of the Due Obedience Bill be widened to include high-ranking officers, or "all those who received orders through the normal chain of commands" in order to keep the law from being unconstitutional.

Alfonsin Meets Army Chiefs

PY221415 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1317 GMT 22 May 87

[Text] Buenos Aires, 22 May (NA) -- Military sources today confirmed that President Raul Alfonsin and Defense Minister Horacio Juanarena last night met with Army Chief of Staff General Jose Dante Caridi and Army corps commanders.

The meeting was held on the premises of the Remount and Veterinary Command in Palermo District where the chief executive and the defense minister, along with the Army leadership, had a barbecue.

It was reported that the meeting was arranged late on 21 May, after Gen Caridi exchanged a few words with President Alfonsin during the change of the guard at the Cabildo building.

Sources announced that the purpose of the meeting was "to directly convey" to the president the conclusions of the first session of a meeting held by the Army leadership in which the Due Obedience Bill, which was sent to the national Congress and approved by the Chamber of Deputies, was reportedly described as "inadequate."

Army Communique on Meeting

PY230151 Buenos Aires TELAM in Spanish 0028 GMT 23 May 87

[Text] Buenos Aires, 22 May (TELAM) -- The Army officially reported today that the possible consequences of the implementation of the Due Obedience Bill was one of the special issues discussed at a meeting of senior Army officers held in Buenos Aires on 21-22 May.

In a communique released tonight, the Army states that the Army commanding officers and the president of the Republic met Thursday night, 21 May, at the Remount and Veterinary Headquarters to discuss problems concerning the Army.

Herewith the text of the communique:

A scheduled meeting of Army commanding officers was held at Army Headquarters on 21-22 May.

Problems discussed at this meeting included those affecting the various Army leadership levels.

These problems involve the current situation and the expected development of the Army. Within this framework, special attention was focused on the consideration of the proposal known as Due Obedience Bill, and on the possible consequences its implementation could have on all pending cases stemming from the war on subversion.

On Thursday night, 21 May, the president of the nation and the Army commanding officers had dinner at the Remount and Veterinary Headquarters, at which time they discussed problems concerning the Army.

Further Report

PY231900 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2040 GMT 22 May 87

[Text] Buenos Aires, 22 May (NA) -- Official sources today revealed that President Raul Alfonsin has told the Army leadership that the Due Obedience Bill "will not be changed" in the Senate. This bill is to benefit high-ranking Armed Forces officers who did not give orders in the antisubversive struggle.

Armed Forces and government sources have agreed in describing the meeting last night between Alfonsin and the Army leadership as "fully satisfactory." The sources, however, could not say whether Alfonsin talked about the Army leadership's concerns. The Army leadership believes the draft Due Obedience Bill "is not sufficient," although the sources did say that "everyone was very satisfied" with the meeting.

Last night Alfonsin made a surprise visit to the headquarters of the Remount and Veterinary Unit, based in Palermo, to attend a barbecue that Defense Minister Jose Horacio Jaunarena was holding with Army leadership, headed by Army Chief of Staff General Dante Caridi. Caridi presumably invited Alfonsin to the barbecue a few hours before when they participated in the changing of the guard ceremony at the Patricios Infantry Regiment at the Cabildo. According to some reports that originated from government sources, Alfonsin "accepted" Caridi's invitation "with pleasure." Among the civilian authorities and the officers exchanged views on aspects of current military realities and obviously about the expected congressional outcome of the Due Obedience Bill.

It has been learned that Alfonsin exchanged views with the generals on the situation in the military's middle ranks and afterward, with the assistance of the defense minister, he profoundly discussed the situation in the Armed Forces since the Holy Week crisis. The president presumably gave his personal opinion on the way to work in order to ensure congressional approval of the Due Obedience Bill.

Alfonsin also presumably listened to the opinion of the Army leadership on this controversial matter. Some of the Army officers present believe the scope of the bill is "insufficient" to effectively achieve a reconciliation between the Armed Forces and society.

Sources who were consulted stated that the result of the discussion and the exchange of opinions between Alfonsin and Jaunarena and the leadership "left the two parties satisfied."

The sources declined to say whether the president last night expressed his assurance that the bill that was sent to the Senate by the Chamber of Deputies will not suffer modifications. In ministerial circles it has been leaked that the bill might be modified.

Army Commanders View Bill

PY240237 Buenos Aires DYN in Spanish 1958 GMT 22 May 87

[Text] Buenos Aires, 22 May (DYN) -- Army Joint Chief of Staff General Jose Caridi emphatically noted today, before the Army high commanders, the need "to restore the principle of obedience and discipline" in the institution and to adhere to a San Martinian ethic in order to inspire "confidence and cohesion" in their subordinates, reliable sources reported.

Gen Caridi spoke to the Army high commanders at the conclusion of a 2-day meeting with generals and colonels at the Libertador Building. Last night, President Raul Alfonsin invited all the participants to a dinner. According to these sources, the Army's delicate internal situation, resulting from the trial of officers for human rights violations, the Holy Week insubordinations, the reshuffling of the Army chain of command thereafter, and the discontent over what military men consider the "narrow scope" of the Due Obedience Bill now being studied in the Senate, were reviewed during the meeting.

During the deliberations, the high commanders supported Gen Caridi's position that the bill is "insufficient" to solve the problem. This position was echoed in statements made by the commanders of Army units and organizations at the opening of the meeting, the sources reported. That argument was later expanded by General Elbio Santarrosa, director of the Army Institutional Affairs. The general also reviewed relations with other national institutions, the general Army situation, and the bill now going through Congress.

Afterward, Army auditor General Alberto Ramallo, who is a lawyer, examined in detail the bill and its direct consequences on the trial of officers, and the situation of officers summoned by civilian judges and courts, including the situation of Generals Luciano Menendez and Jorge Maradona. After the dinner with President Alfonsin at the Remount and Veterinary Service last night, the Army commanders today continued to analyze their talk with the president. The Chief of Personnel Colonel Alfredo Arrillaga -- who is being considered for promotion to the rank of general -- discussed in detail the situation of the Army cadres, particularly regarding their position and discipline as seen since the Holy Week crisis. Col Arrillaga also carefully reviewed the internal summary trials being conducted in the insubordination cases.

General Francisco Cassino, chief of intelligence, talked about the events that took place during Holy Week and gave his interpretation of the people's response to them.

Finally, the chief of operations and the chief of planning and support talked about the plans for restructuring the Army. At the conclusion of the deliberations, Gen Caridi extensively discussed the "San Martinian ethics" which should be observed in the Army as the only way to promote internal cohesion and discipline, the same sources reported.

Gen Caridi reportedly reaffirmed that the Army's philosophy will be that established in "the regulation for the exercise of command," which should be "thoroughly studied" by the commanders, because he intends "to personally control this matter in my visits to military units." Gen Caridi told the colonels and generals that, henceforth, they will receive and convey clear, precise, and specific orders, and that their duty is to "comply with and obey them." He also told them that he will keep the channels open to receive the complaints of middle and lower-ranking officers, "within the law and military regulations," but that Army policy will be his responsibility alone.

BAD WEATHER HAMPERS 'UNITED FORCES-87' EXERCISES

PY250221 Paris AFP in Spanish 1528 GMT 24 May 87

[Text] La Paz, 24 May (AFP) -- Military spokesmen said here today that the "United Forces-87" exercises that U.S. and Bolivian Armed Forces personnel have been conducting for the last 10 [figure as received] days were not as successful as had been expected due to bad weather.

The sources AFP contacted reported that the exercises concluded yesterday in Reyes, in the Amazon region. The exercises involved 350 U.S. military personnel from the Panama Canal Zone and almost 1,000 Bolivian soldiers belonging to the three branches of the Armed Forces.

It has been raining constantly in the area of operations encompassing Rurrenabaque, Reyes, and Ixiamas, in northern Bolivia near the Brazilian and Peruvian borders. The weather did not permit naval units to arrive in the theater of operations, nor did it allow the planned deployment of the participating forces. Meanwhile, Bolivian Defense Minister Alfonso Revollo has said that the military exercises were positive because they provided the Bolivian Armed Forces with the opportunity to learn a number of technical and tactical developments that will benefit them.

It has been reported that the U.S. military personnel have begun to dismantle their equipment in order to return to their logistical headquarters at Viru Viru airport in Santa Cruz, eastern Bolivia, from where they will return to Panama.

U.S. Troops Stranded

PY250248 Madrid EFE in Spanish 0031 GMT 25 May 87

[Text] La Paz, 24 Apr (EFE) -- It was reported here today that the 300 personnel of the U.S. Southern Command who had been involved in joint exercises with Bolivian troops until 23 May are unable to return to their base in Panama because of the bad weather in the area where the exercises took place.

Defense Ministry and Military High Command public relations sources have reported that according to the plan of action, the U.S. soldiers were to go immediately to the airport of Santa Cruz de la Sierra, in eastern Bolivia, and from there leave for Panama.

However, according to these sources the U.S. personnel are still in Reyes, Beni Department, because the rains are precluding all air operations.

The sources added that the very same situation hampered the trip of the Bolivia High Command to the theater of operations, where its members were supposed to attend the ceremonies marking the end of the exercises. The weather also prevented a group of journalists from visiting the theater of operations 5 days ago.

The "United Forces-87" exercises involved approximately 1,500 members o the Bolivian Army, Air Force, and Navy who received 13 [figure as published] days of training in "unconventional warfare."

Bolivian military sources have reported that a broad evaluation of the results of these exercises will be made shortly, but they indicated that the poor weather conditions prevented the exercises from being totally successful.

Defense Minister on Exercises

PY260210 Madrid EFE in Spanish 0042 GMT 26 May 87

[Text] La Paz, 25 May (EFE) -- Bolivian Defense Minister Alfonso Revollo today stressed the importance of holding joint military maneuvers. He added that such exercises should take place more often. Revollo said that these exercises benefit the Bolivian Armed Forces and, therefore, they should not be held only with U.S. troops.

The defense minister said that the 13-day [figure as received] "United Forces-87" manuevers were "positive." The exercises ended yesterday and were carried out in three Bolivian districts with the participation of 300 soldiers from the U.S. Army Southern Command. The defense minister added that a more extensive analysis of these manuevers will be carried out in the next few hours by the members of military high command.

Bolivian Armed Forces Commander Gonzalo Saavedra expressed satisfaction with the joint U.S.-Bolivian exercises but said that in view of the prevailing bad weather in the northern region of the country, the third phase of the maneuver could not be conducted. Gen Saavedra said that the expected exchange of military experiences and the training of soldiers took place and that Bolivian troops will benefit from this.

"United Forces-87" was the second phase of the U.S.-Bolivian military maneuvers which started in 1986. The Congress of the previous government (1982-85) had vetoed the arrival of U.S. troops.

FURTHER REPORTAGE ON VISIT OF SPANISH KING, QUEEN

Garrett Addresses Congress, King

PY230041 La Paz La Red Panamericana in Spanish 2113 GMT 22 May 87

[Address to special joint session of Congress by Vice President Julio Garrett Aillon, who also serves as Congress president, on the occasion of the visit of the king and queen of Spain; in La Paz -- live]

[Excerpts] I greet your majesties, the king and queen of Spain, with great emotion, and welcome you to Bolivia on behalf of the Congress of the nation, the essential power of a democracy. Spain has never abandoned Latin America. Spain's most glorious moments are linked to the common heritage we share. [passage omitted]

Democracy in Latin America has no future if a solution to the economic crisis is not found. As a Latin American country, we seek the definite consolidation of representative democracy throughout the continent, as well as the strengthening of republican liberties and the full respet for human rights. These aspirations, however, are confronted with a world full of policies that only seek to maintain the status quo and avoid the great problems that affect our times.

The only tool the international community has to help those countries that practice democracy is to cooperate with their economic development and social well-being.

But the developing countries are forced to rely on piecemeal international cooperation programs, obsolete aid programs, useless claims of solidarity in a world in which the growing self-sufficiency of the industrialized countries -- due to the industrial-scientific-technical revolution -- is causing the collapse of the raw materials market, the dramatic drop of export income, increased indebtedness, increased exclusions of the Third World from world trade, lack of access to new credits, and an overall interruption of the development process.

Your Majesty, within this context, democracy for the poor countries is a slow process carried out with pain and even bloodshed in countries that struggle to shake off the poverty, hunger, and stagnation they have been experiencing for many years. [passage omitted] We must jointly think about the future of our planet and contribute to giving new meaning to this world, in which violence and domination represent the essence of policies. We must preach a message of reason and hope regarding mankind's capacity to organize for the future, for solidarity, and for justice.

At this moment, as the shadow of indebtedness threatens democracy in Latin American, we believe it is time to start that long and difficult process with specific actions. The decrease of world economic growth is a tendency that will hardly be reversed in the near future. There is no reason to believe that the international debt problem might be alleviated by overall expansion; quite the contrary, expansion would tend to worsen it, making it even more necessary to take urgent measures.

In view of the need for an overall analysis of the foreign debt problem and for political solutions, we think it would be convenient to examine and explore the possibility of Spain summoning a meeting of Latin American nations to reach a political solution to this problem. We think such a conference could help bring about an agreement to solve the foreign debt problem despite its various causes and despite the different political-economic structures of the individual countries of Latin America. After this agreement is reached we would start serious and deep-rooted negotiations with the industrialized powers, with Spain acting as an intermediary because its participation in the EEC would allow it to act effectively as a link to the industrialized countries. This summit, Your Majesty, could be the starting point from which the Latin American community could enter the world arena, thus turning into a reality the theory of the international importance Latin America could have if we decide to join forces and interests. [passage omitted]

I deeply hope that the friendship that unites Spain and Bolivia will in the future be strengthened by fruitful cooperation between the two countries. I once again welcome Your Majesties' illustrious presence at the Bolivian Congress.

Thank you. [applause]

King Addresses Congress

PY230239 La Paz La Red Panamericana in Spanish 2131 GMT 22 May 87

[Address by Spanish King Juan Carlos de Borbon to special joint session of Congress; in La Paz -- live]

[Excerpts] Your Excellency, constitutional vice president of the Republic and president of the National Congress; Your Honor, the president of the Senate; Your Honor, the president of the Chamber of Deputies; Honorable Messrs Senators and Deputies: Our stay in Bolivia has been marked by happy moments and moving experiences. I now find it hard to overcome the emotion I feel in addressing this meeting which [words indistinct] the Bolivian people.

In addition to the history that unites us, Spain and Bolivia are currently linked in a new and more fruitful manner. Our two countries agree that national coexistence must be based on open representative systems, which are the utmost expression of the peoples' will. Within these systems, members of our societies resort to violence as a means to solve political problems.

This honorable National Congress, the expression of the mentioned will, is one of the symbols of change carried out during the last few years, resulting from a decision by the Bolivian people who have managed, by their own efforts, to restore democracy.

Every day Spaniards and Bolivians face difficulties and pursue the ideal of democracy as a moral concept, and not merely as a political system. We also wish to renew and modernize our respective societies so that our people can reach the levels of development and well-being to which they legitimately aspire. This challenge compels us to review our patterns of behavior and, above all, to defend the heart of our political systems; that is, the collective decision to move forward in liberty and harmony always bearing in mind that the people themselves have the legitimate right to organize their coexistence. Fortunately, Bolivia and Spain have a great majority of citizens who abide by and respect the coexistence norms which they, in a sovereign manner, have chosen for themselves. This will of the citizens is the best guarantee for the fulfillment, efficiency, and implementation of a democratic constitution. This explains why the people of Bolivia and Spain have, in an exemplary manner, peaceful moved from an authoritarian government to a democratic system. [passage omitted]

The foreign debt problems threaten the stability and the full development of the developing countries. Bolivians are also faced with a major challenge posed by the problems of drug trafficking, which can only be solved now at the international level and with the decided mutual support of all affected countries. [passage omitted]

I want to use this solemn occasion to tell the honorable senators and deputies that the Spanish Government has undertaken the firm and resolute commitment of declaring Bolivia a priority country in our integral cooperation program. [passage omitted]

I want to express to this Congress my hopes that it will continue to work for the well-being of the Bolivian people, guided by the principles of liberty, justice, and development. Thank you very much. [applause]

Royal Couple Departs 24 May

PY242302 Madrid EFE in Spanish 1852 GMT 24 May 87

[Excerpt] Santa Cruz, Bolivia, 24 May (EFE) -- The king and queen of Spain today left Bolivia at 1407 (1807 GMT) and flew to San Juan, Puerto Rico, thus ending their 5-day official visit to Bolivia.

Bolivian Vice President Julio Garret, Foreign Minister Guillermo Bedregal, and Spanish Ambassador to Bolivia Fausto Navarro bid farewell to Juan Carlos and Sofia at Santa Cruz' Viru Viru Airport.

Bolivian President Victor Paz Estenssoro bid the king and queen farewell yesterday when they left La Paz for Sucre and Santa Cruz.

The royal couple accompanied by Spanish Foreign Minister Francisco Fernandez-Ordonez and his wife, Maria Paz de Fernandez-Ordonez, bid farewell to the Bolivian authorities at the airport. The king and the queen reviewed an Air Force Military Academy battalion that stood as the honor guard. The Spanish national anthem was played and the couple boarded the royal plane, a Spanish Air Force DC-8, and left for Puerto Rico, where they are expected to arrive at 2330 GMT. [passage omitted]

BEDREGAL MEETS WITH SPANISH FOREIGN MINISTER

PY220308 Madrid EFE in Spanish 0137 GMT 22 May 87

[Text] La Paz, 21 May (EFE) -- Spanish Foreign Affairs Minister Francisco Fernandez-Ordonez today said that Spain values the Bolivian effort to consolidate its democracy. He added that the foreign debt problem must be solved among all countries "with the same criteria of coresponsibility."

Fernandez-Ordonez, who is accompanying the Spanish King on his official visit to Bolivia, today met with Bolivian Foreign Minister Guillermo Bedregal to discuss, among other issues, the foreign debt, drug trafficking, terrorism, and bilateral relations.

"We are all in the same boat," said Fernandez-Ordonez in reference to the "understanding" shown by Spain for the Bolivian Government's proposals to solve the foreign debt problem, which is seriously affecting the Bolivian economy.

Regarding the struggle against drug trafficking, Fernandez-Ordonez said that "the Spanish Government is cooperating closely with the Bolivian Government with technical and police measures in its praiseworthy struggle."

The two ministers also discussed the cooperation between Bolivia and Spain. Fernandez-Ordonez said the Spanish Government believes that "Bolivia has priority in its international cooperation program."

Fernandez-Ordonez also told reporters that current and future cooperation projects, such as those directed by the Spanish Cooperation Center in Santa Cruz de la Sierra, where the king and queen will visit on 23 May, were also evaluated.

Bolivian-Spanish cooperation will be discussed in detail during the mixed commission meeting scheduled for next July in La Paz. The meeting will be attended by Minister Fernandez-Ordonez.

The Spanish minister declined to comment on the demonstrations by striking miners who are on the 2d day of a strike and have caused several incidents near Government Palace that coincided with the Spanish King's visit.

Fernandez-Ordonez said: "We are familiar with Bolivia's problems but I do not want to comment on the internal affairs of a friendly country."

LE FIGARO INTERVIEWS PRESIDENT SARNEY

PM251500 Paris LE FIGARO in French 12 May 87 p 2

[Interview with President Jose Sarney by Alain Peyrefitte in Brasilia -- date not given]

[Text] Alain Peyrefitte: You have been strengthened by the legitimacy conferred on you by last year's 15 November elections. You also have the support of the constitutional bodies and the Armed Forces. However, there are some signs of disappointment: industrial conflicts and the slow pace of the agrarian reform. How do you intend to overcome these problems?

Jose Sarney: My government has the legitimacy real democracy provides. The vast majority of Brazilians want this democracy to be irreversible and capable of becoming an effective tool in Brazil's economic and social development.

The Brazilian people are tackling existing problems with remarkable maturity. We are emerging from a long period of authoritarianism, in which demands were always repressed. They are bursting out suddenly and forcefully in the new phase of freedom and participation we are fortunately now experiencing.

We have already implemented a large number of the reforms that form the Democratic Alliance's program. This is true in the political sphere, and it is now up to the Constituent Assembly to give the country a new constitution that will enshrine pluralist institutions adapted to social progress.

We are making progress in the economic sphere, faced with a foreign debt of $110 billion, which was not contracted by the present government. National growth has been between 8 and 10 percent per year in the last 2 years. Unemployment has reached the lowest level since 1980. Real incomes have increased. Consumption has increased. Inflation fell considerably in 1986. And we are resuming growth, and giving it the social significance the Brazilian people rightly demand.

It is natural that social tension and conflicts of interest should emerge. In democratic life they find outlets that all stimulate change.

With regard to agrarian reform, we have drawn up a plan that has naturally sparked off controversy. All components of society have been able to express themselves freely. The plan has been developed in light of the debate it prompted. There has been no hesitation on the government's part. The reform has been implemented in a gradual and pragmatic way. Its aim is to democratize land ownership and respect producers' rights.

The experiment is proving to be positive. We are on the right path.

Alain Peyrefitte: After a long period of impressive growth, Brazil has become the eighth largest economic and industrial power in the world. However, great social inequalities remain. What do you, who have been called "the poor man's president" and who have projected the image of an apostle of social justice, intend to do to change this situation?

Jose Sarney: Brazil's huge debt is the result of the historical pauperization of the most underprivileged classes of our society. Poverty and hunger are a terrible legacy, worsened by the recession in the eighties. This situation, compounded by regional imbalances, is the greatest obstacle to Brazil being able to guarantee all its inhabitants a decent standard of living.

What is our strategy? First, to maintain growth by increasing the wages of the poorest classes. In this way the Brazilian economy will be strengthened and revitalized by boosting the domestic market and social dynamics. We are investing in education, health care, and social welfare on a huge scale. I have made a choice in favor of the poor. I will stand by it.

Alain Peyrefitte: The Cruzado I Plan has been successful, as the elections demonstrated. But has this not led indirectly to the rejection of the Cruzado II Plan, whose stringency was intended to compensate for the first one?

Jose Sarney: The Cruzado Plan has obvious merits. Last year it enabled us to achieve industrial growth of over 10 percent and a major reduction in inflation rates. It therefore enabled us to increase wages and hence consumption. It drew investment to productive activities whereas it was previously channeled into speculation.

However, a number of problems have arisen. Consumption has increased greatly without a corresponding increase in supply.

At the end of 1986 we therefore adopted a series of measures -- commonly known as the Cruzado II Plan -- aimed at remedying some of the problems raised by the implementation of the Cruzado Plan and above all at improving supply, which we have succeeded in doing.

Alain Peyrefitte: The Paris Club meeting in January marked progress toward the rescheduling of the Brazilian public debt. Is there reason to expect progress on settling the private debt?

Jose Sarney: In 1985 and 1986 the foreign debt swallowed up our whole foreign trade surplus. This year, we have therefore been forced to temporarily suspend repayment to the banks until a solution is found that enables us to resume repayments without sacrificing development. We do not want to harm anybody. But we want to create conditions that enable us to honor our commitments. We had to stem the drain on foreign currency that was threatening the country's economic and hence social stability. Brazil does not deny the existence of its debt, but is asking its creditors to engage in frank and constructive debate to overcome the constraints it engenders.

Alain Peyrefitte: A monthly inflation rate in double figures, which was to have been stemmed, seems to have started soaring again. What do you intend to do to combat it?

Jose Sarney: We have seen inflation increase in the last few months. It is the result of the corrective measures taken at the end of 1986: the lifting of the freeze and the process of adjusting tariffs -- which has now been virtually completed -- have caused prices to soar.

Deceleration now seems likely. The government is now examining new measures that can be taken. I am anxious to maintain consultations with representatives of the employers and trade unions. The aim is to resume growth and control inflation.

Alain Peyrefitte: Delinquency and crime are increasing rapidly and the victims or their relatives tend to take the law into their own hands. Is this not a challenge to society? How do you intend to deal with it?

Jose Sarney: High crime rates, which are increasing particularly in many developing countries, are a threat to those societies. This phenomenon is both the cause and consequence of deep dissatisfaction among the people. It is undermining the legal state.

However, I think we can face this challenge. I am trying to solve this problem by strengthening democracy. It enables people to express their damands freely; popular discontent is eased and the citizens' confidence in the institutions is strengthened.

In the economic sphere, the program of reforms I have adopted is aimed at improving the living conditions of the poorest people and removing the causes of their justified dissatisfaction which generates violence.

Alain Peyrefitte: Since you came to power, there have been numerous signs of a stronger Brazilian foreign policy: involvement in Latin American affairs, African policy, an open approach to the Eastern bloc, active presence at the United Nations, and a freer tone toward the United States. Do you intend to take diplomatic initiatives and, if so, what will they be?

Jose Sarney: The strength of Brazilian foreign policy lies in the clear observation of fundamental principles: self-determination, noninterference, peaceful solutions to conflicts, and equal rights among states.

The country that constantly applies these principles acquires a store of confidence. Brazil has succeeded in building up such a store since it gained independence.

In the last 2 years, in which we have built a new Brazil that is celebrating its return to democracy, diplomatic actions based on these fundamental principles have been more frequent.

We have moved closer to our neighbors on the continent. In a Latin America in which democracry is being revived, we have initiated close cooperation with Argentina and Uruguay which is open to other countries in the region.

Our diplomatic principles are based on a universal view. They have led us to reestablish diplomatic relations with Cuba, because we do not accept the bipolarization of the world or ideological confrontation as the system governing international relations.

I intend to maintain this line. We share the same culture and ideas as the developed Western democracies. We will maintain a frank dialogue with them.

In the multilateral sphere, Brazil will continue to give its full support to anything that might strengthen the international organizations. It is in this spirit that we put forward a proposal at the United Nations in 1986 to create a zone of peace and cooperation in the South Atlantic -- a plan approved by a significant majority.

Alain Peyrefitte: Although Franco-Brazilian cooperation is active, French exports account for a very small portion of Brazilian trade. Do you think it can increase and how?

Jose Sarney: The level of Franco-Brazilian trade has been affected by the foreign debt crisis affecting the Brazilian economy and the measures taken to combat inflation in France in recent years. The Brazilian economy has been forced to limit imports. In France, the reduction in the growth rate has led to a reduction in imports from Brazil. In this connection, I welcome the success of the French price control policy. Thus, the first half of the eighties has been a significant period in our bilateral economic relations.

However, the Brazilian economy now needs large-scale investment. We are hoping for greater participation by French capital.

I am closely following France's constructive stance in seeking a new more just and stable international economic order, notably regarding the debt question. France has a particularly important role to play in this sphere.

The recession, unemployment, and the protectionist spiral are not satisfactory solutions. Brazil's access -- and that of the developing countries in general -- to the international financial market is a vital precondition for progress in trade. Greater French investment in Brazil's development would be profitable.

I have encouraged the effort to achieve a rapprochement between the EEC and Latin America. France and Brazil would benefit greatly from a closer association between the two economic blocs.

Alain Peyrefitte: You have not had an ambassador in Paris since last December. Do you intend to remedy this situation soon?

Jose Sarney: Brazil has always regarded France as a friend with which it has many affinities. France and Brazil have always managed to maintain preferential relations. To my great satisfaction, these relations were recently strengthened by the introduction of programs such as the Brazil-France project which have opened up new and promising prospects. On my instructions, the next Brazilian ambassador to Paris will continue to work for this rapprochement.

SOUTH AFRICA'S BISHOP TUTU CONCLUDES VISIT 22 MAY

PY230126 Brasilia Domestic Service in Portuguese 2200 GMT 22 May 87

[Text] On the last day of his visit to Brazil, South African Archbishop Desmond Tutu called on Brazilian youth to engage in the struggle for freedom. He also received the Statuette of Peace award from Pele.

Archbishop Desmond Tutu called for the end of apartheid in South Africa before students at the Rio de Janeiro University, which today granted him an honorary doctorate. Addressing an auditorium crowded with students, the Nobel Peace Price winner called on the Brazilian people to engage in a campaign against racial discrimination around the world, and to oppose any dictatorial regime that restricts individual liberties.

On the last day of his visit to Brazil, the black leader Desmond Tutu also received from EMBRATUR [Brazilian Tourism Enterprise] a Statuette of Peace award, which is miniature of the Christ the Redeemer statue. The archbishop received the award from former soccer player Pele, whom EMBRATUR considers Brazil's ambassador to tourism. The same honor has been bestowed on President Jose Sarney and Pope John Paul II.

After the ceremony, Pele told reporters that the example of Desmond Tutu should serve as a lesson for the whole world. He added that throughout his life as a professional, whether playing for the Santos Soccer Team or the Brazilian National Soccer Team, he tried to reflect a positive image of Brazil abroad.

Archbishop Tutu later departed for Caracas, Venezuela, where he will continue his struggle for human rights and world peace.

ALLEGED DRUG TRAFFICKER EXTRADITED TO U.S.

PA240058 Bogota Cadena Radial Super in Spanish 1730 GMT 23 May 87

[Text] Bogota -- Colombian Carlos Tulio Gomez Gutierrez, who is wanted by a U.S. federal court, was extradited to the United States this morning. A spokesman [not further identified] confirmed for Supernews of Colombia that Gomez Gutierrez was removed from the La Picota Jail, where he had been for about 20 days, and was escorted to the El Dorado International Airport, where he was handed over to the DEA. After boarding a plane, Gomez Gutierrez was transported to Miami. According to initial reports, this Colombian citizen faces drug trafficking charges in the United States.

Seven other individuals are awaiting decisions on their situations because they are also wanted by U.S. authorities for various crimes.

CIVILIAN TO INVESTIGATE UP CHARGES OF KILLINGS

PA221910 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 May 87

[Text] For the first time in Colombia, a civilian prosecutor will supervise proceedings and investigations against members of the military accused of common crimes. Today Attorney General Carlos Mauro Hoyos relieved General Jose Antonio Gonzalez Prado of those responsibilities. Gonzalo Prado was hearing several cases in which police and members of the military are accused of murder. The removal responded to a writ challenging Gonzalez Prado's jurisdiction presented by one of the plaintiffs. Assistant Prosecutor Omar Henry Velasco replaced Gen Gonzalez Prado.

[Begin recording] [Reporter Claudia Munoz Rocha] Gen Gonzalez Prado, assistant prosecutor of the military forces, tendered his resignation as soon as he learned that he would not be allowed to continue at the head of the investigation of crimes denounced by the Patriotic Union [UP] because he was not impartial.

[Gonzalez] To doubt that I am impartial in the performance of my work directly affects my honor and my integrity, as well as my impartiality in the performance of those duties.

[Munoz] Can this be considered an act of rebellion?

[Gonzalez] They [not further identified] say that. I must defend my good name and my honor because those are the only things I can pass on to my children and grandchildren.

[Munoz] Is there mistrust of the military forces?

[Gonzalez] Ask the attorney general.

[Munoz] Attorney General Carlos Mauro Hoyos replaced him because he believed the climate was not conducive to impartial proceedings. The remarks made by Defense Minister General Rafael Samudio Molina during his 11 May news conference and the constant verbal confrontations between the UP and the military forces contributed to this decision.

Omar Henry Velasco, currently prosecutor for police oversight, was appointed to continue the investigation.

[Velasco] The investigation of charges against members of the military forces by a civilian is in line with the Constitution and with the democratic principles in Colombia.

[Munoz] However, the attorney general's decision caused a stir among top military leaders.

[Unidentified speaker] There is an official appointed to the Attorney General's Office as assistant prosecutor of the military forces. His conduct is not directed by the military commands because there is full independence between the assistant prosecutor, the Defense Ministry, and the general command of the military forces and the [words indistinct] forces.

[Munoz] Is there mistrust of the military forces?

[Speaker] I do not know.

[Munoz] The move opens the possibility that from now on civilian prosecutors will be appointed to judge the military. [end recording]

ECOPETROL DIRECTOR ON COUNTRY'S SELF-SUFFICIENCY

PA211432 Paris AFP in Spanish 0305 GMT 21 May 87

[Text] Bogota, 20 May (AFP) -- Francisco Chona, president of the state-owned Colombian Petroleum Enterprise [Ecopetrol], maintained here today that with the reserves of the eastern Arauca region, the country has reached self-sufficiency in the oil industry and has recovered its position as an exporter.

After disclosing that the current oil reserves amount to 1.9 billion barrels, Chona warned that the the present rate of consumption, this self-sufficiency can only last until 1995.

He added that for this reason, Ecopetrol in a direct way and through partnership contracts and those contracts involving the sharing of risks, continues to increase its ambitious exploration efforts to extend this self-sufficiency to the year 2000.

Chona spoke during an event to present the book "Planning, Development, and Petroleum -- The Araucan Case" written by Hernando Roa.

FEBRES CORDERO INAUGURATES HYDROELECTRIC PROJECT

PA240129 Quito Voz de los Andes in Spanish 1230 GMT 23 May 87

[Text] After yesterday's inauguration of the Agoyan project, the country's hydroelectric power generation capacity has increased to 700,000 kilowatts. This means substantial oil savings for Ecuador.

The project, which marks the beginning of a new stage in the country's efforts to substitute the generation of power through thermal means, was placed in operation during a ceremony attended by the president of the Republic, Cabinet ministers, regional authorities, INECEL [Ecuadoran Institute of Electrification] officials, and diplomatic representatives from various countries.

According to President Leon Febres Cordero, after the inauguration of the Agoyan project Ecuador can take concrete steps to export electricity to Colombia. Man, an almost invisible speck in nature's immense setting, carries in him the secret of creativity, intelligence, courage, and confidence in his own strength of character to overpower the forces surrounding him, the president said.

The huge dam stores 1.8 million cubic meters of water from the Pastaza River. The stored water is conveyed through a tunnel to the engine room where two turbines are used to generate electric power.

Let all of us together once more have faith in our homeland and in its magnificent future evolved along a path vigorously framed by democracy and justice, the president noted. He said: if we work without pause, seriously and patriotically, if the unity of the people and the government is indestructibly maintained, not a single obstacle, not even nature, will be capable of stopping Ecuador's glorious advance toward the heights of development.

BRIEFS

MALARIA 'EPIDEMIC' -- The Ecuadoran Medical Federation [Federacian Medica Ecuatoriana] has reported that there are 51,430 proven cases of malaria in Ecuador, of which 25,951 are in Esmeraldas. It said 73.4 percent of the malaria victims are near death because the disease is highly dangerous. The federation asserted that there is a malaria outbreak of epidemic proportions in Esmeraldas and demands government steps to curb it. [Summary] [Quito Voz de los Andes in Spanish 1230 GMT 23 May 87 PA]

COLORADO DISSIDENTS ARRESTED, NEW GROUP FORMED

PY230256 Asuncion EL DIARIO in Spanish 22 May 87 p 8

[Text] Police have broken into the home of Francisco Romero and interrupted a meeting a Colorado Popular Movement (MOPOCO) "dissident" group was holding there. Before the group could take steps to establish a new organization, police arrested MOPOCO leaders Humberto Zarza, Enrique Riera, Mario Mallorquin, and Sarah Riva de Vasconsellos, and the owner of the house.

The MOPOCO leaders were released yesterday morning, but the house owner remained under arrest at police headquarters because his home was where a meeting was held without a proper police permit.

Members of the new movement and of the MOPOCO carried out negotiations to obtain Romero's [owner of the house] release. MOPOCO leader Miguel Angel Gonzalez Casabianca went to the police department to intercede on Romero's behalf. MOPOCO member Julio Cesar Vasconsellos yesterday said that Romero would be released today. He said: "We met with Public Order Chief Carlos Schreiber, who told us that Romero would be released very soon. Romero is just being detained a little longer than the others."

Vasconsellos said that during his meeting with Schreiber, he requested police authorization for a political meeting. He added that Schreiber said he had no problem with granting the permit.

Vasconsellos said that a special commission will be appointed today to organize the convention of the new political group. He said this commission will appoint convention delegates after consulting with the rank and file. Vasconsellos added that the new political association will be called the National Colorado Popular Movement (MOPOCONA) (Movimiento Popular Colorado Nacional), and it will be comprised of dissident Colorado groups such as the "Ethical group" and the ANRER [Asociacion Nacional Republicana en el Exilio y Resistencia, Colorado Party in Exile and Resistance].

MOPOCO MEMBERS ARRESTED, HELD IN YPACARAI STATION

PY221638 Asuncion EL DIARIO in Spanish 22 May 87 p 11

[Text] Dr Miguel Angel Gonzalez Casabianca, head of the MOPOCO executive board, last night reported that, after visiting the wife of [MOPOCO] leader Juan Carlos Galaverna, MOPOCO members Oscar Acuna, Edgar Meza Ferreira, and Jose Ortega Gianotti were arrested and held at the Ypacarai police station.

Casabianca said that Meza Ferreira and Ortega were released after 1 hour. Casabianca emphasized that the Ypacarai police chief told him that Oscar Acuna would be transferred today to the police headquarters following "orders from above." Casabianca added that today he will file a writ of habeas corpus for Acuna.

The MOPOCO president also expressed his disapproval over the fact that Acuna's car was left in custody at the Ypacarai police station.

STATE OF EMERGENCY EXTENDED IN LIMA, CALLAO

PY231852 Paris AFP in Spanish 1755 GMT 23 May 87

[Text] Lima, 23 May (AFP) -- It has been officially reported here that the Peruvian Government today extended the state of emergency for another 30 days in the provinces of Lima and Callao because of the continuing violence there.

Meanwhile, police have reported that the Maoist Shining Path yesterday carried out attacks in different regions of the country in which several people were injured and considerable damage was incurred.

The government decree, which was published today in the official gazzate EL PERUANO, states that the state of emergency, which has been in force in these provinces since 7 April 1986, seeks to enforce measures that will help to restore public order.

Consequently, all constitutional guarantees are curtailed. These guarantees include the need for warrants to search private homes and the freedom of movement throughout these provinces. Also curtailed are the right to assemble and to be arrested based on court order. The Armed Forces will continue to enforce public order.

During the enforcement of the state of emergency it will be up to city officials to issue the proper regulations that will allow people to exercise the right to assemble.

The Armed Forces Joint Command will maintain the curfew that has been in force between 0600 and 1000 GMT since 7 March.

The state of emergency is also in force in 20 other Peruvian provinces that have been affected by terrorism for the last 7 years. The Armed Forces have been entrusted with the political-military control of these provinces.

In another of the unceasing actions being carried out by the followers of Comrade President Abimael Guzman, the Shining Path's top-ranking leader, a subversive commando yesterday infured 11 people, among them 5 policemen -- 3 Republican guards and 2 health unit noncommissioned officers -- when a powerful explosive went off at the police hospital in Ayacucho, which is the bastion of the Peruvian guerrillas.

The explosion, which prompted the rapid deployment of the forces of order, destroyed the hospital's cafeteria and injured 11 people, among them 6 civilians. It has been learned that three of the policemen, who received shrapnel wounds, are in criticial condition and that they may be evacuated to Lima today.

Alleged Shining Path columns last night attacked a Civil Guard post in the town of Huaripampa, in the Andean region, and the Tupac Amaru peasant cooperative in Junin Department, whose capital Huancaya located 310 km southeast of Lima. It is not known whether there were any casualties on either side during the attack, which was repelled by police.

In the attack against the cooperative, located 48 km outside Huancaya, the attackers kidnapped the manager, whose identity has not been disclosed, and damaged the installations. The police, who have organized an operation to arrest the attackers, fear that the official has been killed.

BRAZIL'S ABREU SODRE ARRIVES ON VISIT 21 MAY

PY211753 Paris AFP in Spanish 1410 GMT 21 May 87

[Text] Lima, 21 May (AFP) -- Brazilian Foreign Minister Roberto de Abreu Sodre arrived today in Lima on an official 2-day visit in response to an invitation extended by his Peruvian officials, the state of bilateral relations and the joint actions aimed at strengthening those bilateral ties, Abreu Sodre will hold working meetings with Vice President Luis Alberto Sanchez; with Foreign Minister Wagner Tizon; with Senate President Armando Villaneuva, and with Fernando Leon de Vivero, president of the Chamber of Deputies.

Villanueva, who is also APRA [American Popular Revolutionary Alliance] secretary general, returned early today from New York where he underwent medical treatment, and from a visit to Nicaragua.

A Peruvian Foreign Ministry spokesman has reported that Brazil and Peru, which for the last 2 years have been cooperating in the development of the vast Amazon region, are interested in strengthening ties in the trade, political, and cultural sectors, and particularly in the exploitation of natural gas deposits recently discovered in the Amazon region.

Meets With Garcia

PY221314 Lima Television Peruana in Spanish 0100 GMT 22 May 87

[Excerpt] Brazilian Foreign Minister Roberto de Abreu Sodre, who todaay met with President Alan Garcia Perez at the Government Palace, announced that the Brazilian and Peruvian presidents will meet before October.

The Brazilian minister also referred to the foreign debt saying that Third World countries should not bring hunger to their people or impair their development in order to pay their foreign debt.

[Begin recording] [Passage omitted]

[Reporter] When will the presidents' meeting take place?

[Abreu Sodre] We will discuss the meeting date either tomorrow or the day after tomorrow. It all depends on the consultations that must be made. The meeting will be before October. We still do not know the exact date. The date will be discussed at the level of our Foreign Ministries.

[Reporter] How do you see the Peruvian position regarding the foreign debt?

[Abreu Sodre] This problem has to be dealt with in a way that does not mean hunger for the Brazilian or Peruvian peoples, or impair our development.

[Reporter] [Question indistinct].

[Abreu Sodre] We will pay because we want to pay, but we will not pay with the hunger of our people or with our development. [passage omitted]

Communique Issued on Talks

PY231514 Lima Radiogramas del Peru Network in Spanish 2320 GMT 22 May 87

[Report from the Foreign Ministry by Lili Cespedes]

[Text] After 2 days of talks between Brazilian Foreign Minister Roberto Abreu Sodre and Peruvian Foreign Minister Allan Wagner on the upcoming meeting between Peruvian President Alan Garcia and Brazilian President Jose Sarney, it is now known that the meeting will be held during the first 2 weeks of July. It will be held someplace on the Peruvian-Brazilian border, possibly in city of Madre de Dios or the Brazilian city of Acre. The two chiefs of state will discuss issues related to the economic development of the border areas between the two countries and economic cooperation.

We will now read the communique released by the Foreign Ministry.

Press communique.

At the invitation of Peruvian Foreign Minister Allan Wagner, Brazilian Foreign Minister Roberto Abreu Sodre visited Lima on 21 and 22 May to lay the preparatory work for the upcoming meeting between the Peruvian and Brazilian presidents someplace on the border between the two countries.

The Brazilian foreign minister was granted a special audience by President Alan Garcia, Senate President Armando Villanueva, Chamber of Deputies President Fernando Leon de Viveros, and Luis Alberto Sanchez, first vice president of Peru and president of the congressional Foreign Relations Committee.

The two foreign ministers reviewed the most important aspects of bilateral relations. Mutual ideas on regional and international affairs also were discussed, especially those pertaining to political convergence and cooperation among Latin American nations.

The two foreign ministers paid special attention to the drafting of a preparatory program for the presidential meeting, which the two governments consider very important for the shared objective of greatly intensifying their bilateral relations in every sector.

Lima, 22 May 1987.

In other matters, Foreign Minister Wagner has announced that in the next few days a high-level Peruvian delegation will travel to Brazil to discuss future financing between the two countries.

ARGENTINE PRESIDENT ALFONSIN ARRIVES FOR VISIT

PY251526 Paris AFP in Spanish 1512 GMT 25 May 87

[Text] Montevideo, 25 May (AFP) -- Argentine President Raul Alfonsin arrived at noon today for an official 3-day visit to Uruguay.

Alfonsin was met by Uruguayan President Julio Sanguinetti at Carrasco International Airport, and he was greeted by all the Cabinet members.

The Argentine president will remain in Montevideo until 27 May, when Brazilian President Jose Sarney is expected to arrive.

Alfonsin, Sarney, and Sanguinetti will meet on that day to study the problem of the foreign debt, the increase in interest rates, and the progress achieved in the process of trilateral integration.

Addresses Congress

PY260146 Montevideo Radio El Espectador Network in Spanish 2128 GMT 25 May 87

[Address by Argentine President Raul Alfonsin to the Congress at the Legislative Palace in Montevideo; date not given -- recorded]

[Excerpts] Mr President of the Uruguayan General Assembly, Congressmen:

It is certainly not by coincidence that an Argentine president is here today commemorating the 25 May celebration before the Uruguayan Legislative Assembly. The 25th of May is the main national date for Argentines and Uruguayans alike. [passage omitted]

It is not by mere coincidence that we have both reached the conclusion that it would be necessary and useful for us to jointly reflect now on our shared concept of the meaning of the 25 May events.

It is not by mere coincidence that this is happening because Argentines and Uruguayans alike are today facing the same challenge: To consolidate popular sovereignty and to promote once and for all integration between our peoples. [passage omitted]

We Argentines were once told that to build a civilized coexistence we had to first undergo an authoritarian stage that would pave the way for economic growth which, in turn, would lead us to a respectful coexistence based on laws.

I know quite well that I do not have to remind you what happened to us. Today, our main strength lies in that lesson, in our unwavering decision to maintain and consolidate our legal system; and in the unity of all Argentines, despite our disagreements, to defend the laws, our civilized coexistence, and the Constitution.

All this has been possible because we know what happened and why. Thus, our strength has allowed us to be generous, to understand that in a national tragedy no one is either a total victim, or a total culprit. Thus, we share with many Latin American countries our success in restoring democracy once and for all.

We have managed to restore democracy at a time when we have to face one of the most serious crises of the international economic system. In the face of this crisis, we must define our productive role and our relations with the world.

I do not have to emphasize to this honorable Congress how serious the crisis is. Let me, however, refer to the other side of the crisis: Let me state before you that the burden posed by the foreign debt and the threat to peace in Latin America have been instrumental in expediting and in furthering regional ties in such a way that there are now new hopes for our peoples.

It is fair to admit that many years of efforts to promote regional integration have been, to a large extent, unsuccessful. It is not a question of finding culprits, but rather of recognizing that this relative failure may have been caused by our remaining directly linked to world centers. But today's world, the world of technological revolution, of intelligence in the service of sciences, is rapidly organizing in a different way. This new world is reducing the chances for underdeveloped countries to achieve growth and progress.

It seems as though this world is rejecting us, but it is time for us to look at it from a different perspective because it is also true that this new world emphasizes the growing importance of regional economic groups. This is why the crisis demands that we make a different effort, that we resume our old dream and implement the integration of our peoples. [passage omitted]

The foreign debt crisis led us to establish the Cartagena Consensus of which Uruguay serves as the pro-tempore secretary, tirelessly working on our common concerns. The Central American crisis has also made us reach the same conviction, that all Latin American peoples are affected by the crisis. For ethical reasons and keeping in mind our best national interests, we created with Brazil and Peru the Contadora Support Group, as part of the most promising prospect of peace for the region. Also created through these efforts were consultation mechanism of the Group of Eight, an effective instrument at the service of regional integration.

We are on the right course. Let us go ahead. We have achieved the required condition: Democracy. It is through democracy that we are making progress in our regional integration. Only through democracy, that is, through the peoples' will, can hegemonic objectives be put aside. Only through democracy will we overcome confrontations and eradicate absurd theories advocating conflicts.

The protector of free peoples and the pioneer of the federal system [Uruguayan revolutionary hero Jose Artigas] understood this when he was approaching the end of his public life. Uruguayans and Argentines, let us echo his words once again: The peoples are free and they are arbiters of their own fate. Thank you. [applause]

BRIEFS

CANADIAN COOPERATION AGREEMENT -- Livestock, Agriculture, and Fishing Minister Pedro Bonino on 12 May returned form a tour through North America and reported that he secured Canadian technical and financial cooperation for $2 million which will be used for development projects in the fishing, meat, wheat, and potato fields. [Excerpt] [Montevideo EL DIA in Spanish 13 May 87 p 9 PY]

FOOT-AND-MOUTH OUTBREAK -- Cattle auctions have been suspended in various areas of the country in view of an outbreak of foot-and-mouth disease. [Text] [Montevideo Radio Carve in Spanish 0930 GMT 16 May 87 PY]

OIL PRICES MAY STABILIZE AT $17 PER BARREL

PA220441 Caracas Television Service in Spanish 0000 GMT 21 May 87

[Text] A positive factor in our country's economic sector can be seen in the international petroleum market. Energy and Mines Minister Arturo Hernandez Grisanti said today that crude oil prices are about $1 higher than they were last week. This morning, after attending the cabinet meeting in Miraflores, the energy and mines minister made some comments regarding petroleum prices and indicated that some improvements may be expected.

According to Hernandez Grisanti's reports, several factors exist right now that will allow the stabilization of petroleum prices at about $17 per barrel. Consequently, the country will be able to maintain a fixed foreign exchange income budget. He pointed out that prices have not declined despite the time of year. In Europe, as the days grow warmer, oil prices drop. The fact that the drop has not yet occurred is a stong indication of a tendency toward stabilization.

Hernandez Grisanti said there is a political agreement within OPEC to maintain prices. On 25 June, we will meet in Vienna and the majority of members will maintain the position agreed upon in December 1986 to consolidate the prices of the product. We want to achieve stability, even if we will not see a repeat of what happened a few years ago, when a barrel of oil cost more than $30. There is no doubt this is very convenient for the petroleum-producing countries, which will be able to count on a fixed and stable income from their petroleum.

[Begin Hernandez Grisant recording] There is a possibliity this year that we will approach -- I am not promising this, only mentioning it as a possibility -- a price of $17 per barrel. That would mean that Venezuela would have additional foreign currency income to that already estimated in the foreign currency budget. The additional income could approach $1.5 billion this year. We are going to continue studying the market. This is still the end of May. However in these months of April and May when the price of oil normally drops, it has actually stabilized. That is why I believe there is good reason for our optimism. [end recording]

Everything seems to indicate that there is an agreement in OPEC and that, no doubt, the price of a barrel of oil could be definitely stabilized. That would be convenient for our country.

POLICE ARREST TWO ALLEGED COLOMBIAN GUERRILLAS

PA251804 Paris AFP in Spanish 1621 GMT 25 May 87

[Text] Caracas, 25 May (AFP) -- Two alleged Colombian guerrillas were arrested by Venezuelan police today in the township of El Amparo, in the southwestern state of Apure, which borders on Colombia. This region is considered a danger zone because of the constant kidnappings of Venezuelan cattlemen, it was reported today.

The local INNAC news agency reported that one of the detained, Libardo Rincon, is on a list of persons wanted by Colombian authorities for engaging in guerrilla activities. The other individual, Pedro Carvajal, presented an indentification card identifying him as a Venezuelan, but the authorities believe he is a guerrilla who "infiltrated" the country, INNAC reported.

U.S. ENVOY'S FOREIGN POLICY REMARKS CRITICIZED

PA230001 Mexico City UNOMASUNO in Spanish 17 May 87 p 3

[Article by Jorge A. Villamil Rivas: "The U.S. Blindness: A New Gavin?"]

[Text] We have yet to get over the bitter memories left by Ambassador John Gavin after the years in which he combined his mission as representative of the empire with his talent as an actor when the new White House envoy has begun to show signs that the problem of the U.S. mission in our country is not a matter that merely depends on whoever holds the post. It seems the desire to meddle is not only personal but also forms part of a planned and directed policy. If this were not true, the solution would be very easy for Mr Pilliod, the current ambassador. If, as he said, "it is very hard for him to understand" Mexico's foreign policy, he could make way for someone who understands that Mexico makes its own decisions and that it does not have to account for its support, solidarity, and condemnation to anyone other than the Mexicans.

The annoyance about the ambassador's "concern" is even greater if we bear in mind he is the official spokesman of the country that has not hesitated to supply money, weapons, and every type of support to mercenaries interested in overthrowing governments today, yesterday, and it seems, always. Why should the empire reproach us for respecting and supporting our Latin American brothers in Nicaragua, El Salvador, and Guatemala today; in Grenada yesterday; in Chile sometime ago; and the Dominican Republic and Cuba even a longer time ago? Do those in the north really think we have forgotten the seizure of our territory in the past century or that the current expulsion of our workers from jobs there is not important? Do they think we can forget that and more? Do they think we do not see that they want to subjugate us again in order to isolate those who, with great material weakness, face the country which thinks it owns the world? The defense of the self-determination of the countries of the continent is on the one hand, self-defense, and on the other hand, the defense of principles. It is that simple.

The grave conflict faced by the Central American countries in many ways shows the main problems of that region of the world and of the neighboring countries. The problem of Nicaragua and El Salvador is the problem of Central America. In turn, the problem of Central America is that of Latin America and it is not an exaggeration to say it is also that of almost all the so-called Western world and a good part of the Eastern world. It is the conflict over free and autonomous survival. It is the conflict over sovereignty.

With a language that is already traditional of a modern inquisition, Ambassador Pilliod describes the Nicaraguan process as "Marxist-Leninist" as if this entailed an unpardonable heresy that justifies any aggression against it. Putting it another way: Supposing -- without it being necessarily so -- that Nicaragua was a Marxist-Leninst country, who is the ambassador and his empire to deny a country the absolute right to adopt the doctrine, social system, or regime which it deems advisable?

The case of Chile is self-evident. According to the ambassador, because our country refuses to maintain relations with an assassin government which usurped power as a result of the assassination of a leader and that prolongs its stay on the basis of the people's blood, Mexico's international relations are "selective" and "difficult to understand." He believes Chile and Nicaragua must be placed on the same level. He believes there is no difference. Going even further, the ambassador adds the case of El Salvador where a civil war shows the people seeking their liberation. He says Mexico should lean towards the side that for decades has been bringing bloodshed to peasants and opponents.

The Reagan government's confusion about what is going on in, let us not only say Mexico, but the world is understandable. It has been widely proven that interests cloud understanding and this being the country that finances its own deficit and its constant wars with the resources it obtains from the countries it controls, the interests which block its understanding are enormous. The master not only wants the subordination of the slave. He thinks the slave should also love him and he really believes he is the one who helps the slave. Reagan, faithful exponent of the master's feelings, must be very surprised that the people protest, that they undertake legal opposition or that they take up arms and stage anti-imperialist revolutions. He must be even more surprised that other peoples support their brothers and that they use law, principles, justice, and reason as the main arguments against him.

The empire does not seem to be sensitive to arguments or principles. The absolute weight of the colonial interest and political and military interventionism makes its own policy take the direction of crushing revolutions, blocking democratic paths, and hindering solidarity. For this purpose, it uses interventionism ranging from the statements of official and unofficial spokesmen to military invasions such as that of Grenada, passing through assassinations such as in Chile or the sponsoring of mercenaries such as those in El Salvador and Nicaragua.

Meanwhile, they think the rest of us, such as Mexico, should applaud or at least clear up their confusion. What a shame that Mr Gavin has already returned. Or maybe he never left.

DEFENSE SECRETARY ON ANTIDRUG CAMPAIGN

FL252034 Mexico City NOTIMEX in Spanish 2130 GMT 19 May 87

[Excerpt] Mexico City, 19 May (NOTIMEX) -- National Defense Secretary Juan Arevalo Gardoqui announced today that President Miguel de la Madrid has authorized Operation Jupiter, whose fundamental purpose is to prevent the planting, cultivation, and harvesting of poppy and the production of opium paste in Mexico.

Speaking at a breakfast hosted by reporters in partial recognition for his recent trip to Washington, where he presented an extensive outline of Mexico's antidrug campaign, Arevalo Gardoqui asserted that the operation will be a success.

I trust that at the end of the mission, we will have good on results which I shall report at the right time, he explained, adding that the operative includes the participation of 15 generals, 195 chiefs, 1,130 officers, and 18,800 troops.

Arevalo Gardoqui outlined his department's actions in coordination with the general prosecutor of the Republic during the present administration to fight and eradicate drug trafficking as much as possible.

He said the Defense Secretariat has destroyed an extension of 31,723 hectares of poppy and 30,041 hectares of marihuana, totaling 61,764 hectares, the equivalent, as an illustration, of the area covered by the states of Hidalgo, Veracruz, Puebla, Morelos, Guerrero, Oaxaca, Chiapas, Tabasco, Campeche, Yucatan, and Quintana Roo. In addition, 2,983 km of pipes or ducts used to bring water to the areas planted with narcotics have been destroyed. He explained that this distance is equivalent to the stretch of road from Mexico City to Tijuana.

He reported that the Mexican Army has destroyed a total of 174 clandestine runways and said that various items seized from criminals have been turned over to the judicial authorities; to wit, vehicles and planes of various types; 31,394 guns, from pistols and revolvers to heavy caliber and automatic rifles.

Also destroyed were 11,559 tons of packaged and loose marihuana, ready for transportation to consumer markets; 3,586,694 kg of pure cocaine, of which 850 kg were seized on 13 April in Zapotintis, Jalisco, and 536,559 at the international airport of Villahermosa, Tabasco, on 12 April.

Arevalo Gardoqui stressed that these figures are evidence of the intensity and magnitude of the campaign and of its success. Regrettably, he said, 109 soldiers have died in the performance of duty.

In another connection, Arevalo Gardoqui spoke of the installed capacity of the country's military industry department and asserted that this industry has made it possible for his secretariat to have a variety of weapons, totally built by local industry, as well as a vehicle assembly line with specific uses and productivity. He said that local industry can compete with the best in the world. [passage omitted")

DE LA MADRID VISITS TELEVISION STATION, COMMENTS

PA230120 Mexico City XEW Television Network in Spanish 1300 GMT 22 May 87

[Text] President Miguel de la Madrid has visited Channel 13's facilities, where he attended an Imevision board of directors' meeting and inaugurated the ground station for Channel 22.

The president said mass communication brings people closer together. He said in this field as in others, it is impossible to remain static or be guided by inertia or routine. De la Madrid pointed out that the creation of the Mexican Television Institute [Instituto Mexicano de Television] is a state effort to organize and make more efficient what had been scattered [not further identified]. He added that, regarding the institution's financial reorganization, much has been achieved but more progress must be attained.

BRIEFS

NEW AMBASSADORS APPOINTED -- President Miguel de la Madrid yesterday appointed five new ambassadors. They are: Carlos Tello to Portugal; Fausto Zapata Loredo to China; Alejandro Castillon Garcini to Uruguay; Enrique Gonzalez Casanova to Yugoslavia; and Adolfo Hegewisch to the FRG. [Summary] [Mexico City XEW Television Network in Spanish 1300 GMT 30 Apr 87 PA]

ESQUIVEL ON THREATS TO PARALYZE CANAL TRAFFIC

PA221801 Panama City CRITICA in Spanish 22 May 87 p 35

[Text] Acting President Roderick Esquivel said the act of paralyzing canal traffic would be to act in bad faith, noting that "I do not believe any Panamanian would plan an attack against our waterway." Esquivel was asked to comment on statements on this matter made by protest groups in the Colon province.

Elaborating on this, Esquivel said any action that prevents the free passage of ships through the Panama Canal would be "ill-intentioned."

Esquivel said if there is any group planning "such monstrous acts," it definitely would be responding to and following orders "from abroad."

Esquivel was approached by journalists while attending a ceremony to commemorate the day of the physician held in the Paitilla Polyclinic auditorium. He said that yesterday morning, the Executive Branch sent a commission made up of Government Minister Rodolfo Chiari, Planning Minister Ricaurte Vasquez, and Colon Free Zone Manager [Pablo Thalassinos] to hold talks with the protesters.

Esquivel said he understands why Colon residents are impatient, adding that the government, through the Planning Ministry, has earmarked some funds for the immediate development of programs for that province.

"In fact, yesterday, the housing minister presented an excellent project for Colon and Panama, which is likely to be approved in its entirety," he said.

Esquivel noted that the organization of a Permanent International Fair promoted by some civic groups is a good example of what the people of Colon can do for their province.

DEFENSE FORCES ANALYZE ANTIDRUG OPERATION

PA201652 Panama City LA ESTRELLA DE PANAMA in Spanish 20 May 87 pp A1, A10

[Excerpt] Panamanian Attorney General Carlos Villalaz and General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces [FDP], met yesterday to evaluate the investigations of "Operation Pisces" that are being carried out by the special narcotics force led by Major Nivaldo Madrinan Aponte and Captain Inspector Luis Quiel, chief of "Operation Pisces" in Panama, who was promoted yesterday to that rank with honors.

Also present at the meeting held yesterday at the FDP general headquarters were Colonels Marcos Justines Fernandez and Alberto Purcell; Major Madrinan, chief of the National Department of Investigation; and Capt Inspector Quiel. [passage omitted]

COSTA RICAN RURAL GUARDS REOPEN BORDER

PA231959 Panama City LA ESTRELLA DE PANAMA in Spanish 23 May 87 pp A1, A14

[Text] The Inter-American Highway, which joins Panama and Costa Rica at Paso de Canoa, was reopened to vehicles and merchandise yesterday. At 1215, Costa Rican Rural Guard units, under the command of Colonel Fausto Jimenez, removed the barrier that was placed in the important border area by Costa Rican merchants more than a month ago.

This operation was the result of agreements between the Costa Rican minister of government, and General Manuel Antonio Noriega [chief of Panama's Defense Forces] on Thursday, 21 May, to coordinate activities that would resolve the conflict promptly. The border problem has been aggravated because of its economic impact on several Central American freight and shipping companies.

Although there is no official information on whether this is a temporary measure, it has been reported that Costa Rican merchants in San Jose will stop all commercial activities at 0900 on Monday, 26 May, in protest of a bill that is before the Costa Rican Legislative Assembly. This bill, which will be debated for the third time, would legalize the so-called border courtesies that allow Costa Ricans to purchase goods in Paso de Canoa.

The picketers at Paso de Canoa were evicted without incident. There were no violent clashes and the booths that were blocking traffic between the two countries were removed.

Meanwhile, the Chiriqui trucker's union had approved a resolution to go on indefinite strike if the situation was not resolved by Monday, 26 May.

The Panamanian Association of Paso de Canoa Merchants will hold a press conference at 1000 today for the local and foreign media.

WORLD BANK 'CONTINUES TO BLOCK' DISBURSEMENTS

PA222130 Panama City Televisora Nacional in Spanish 0000 GMT 22 May 87

[From the "Current Facts and People" feature]

[Text] The World Bank continues to block the disbursements that have already been scheduled for Panama to impose its reforms. Pressures have a limit. If the country is recovering, a delay in the arrival of foreign funds tends to stop our takeoff. This is unacceptable, and Panamanians will not let the World Bank or the IMF smother them.

BRIEFS

PALA PRESIDENT DIES -- After an intense and long struggle against the ailment that had been affecting him for the past 3 years, Justo Fidel Palacios, distinguished newsman, student leader, lawyer, and politician died. He was the newly elected president of the Labor Party, PALA. [Summary] [Panama City Televisora Nacional in Spanish 0000 GMT 13 May 87 PA]

MINISTERS ISSUE SIMPSON-RODINO STATEMENT

PA242211 Hamburg DPA in Spanish 1855 GMT 23 May 87

[Text] Guatemala City, 23 May (DPA) -- It was reported today that the labor ministers of Central America issued a joint communique here regarding the effects that the implementation of the U.S. immigration law, the so-called Simpson-Rodino law, will have for the countries of the area.

In the document, the Central American ministers, who met at the initiative of Guatemalan Labor Minister Catalina Soberanis, agreed to coordinate initiatives to find formulas for a solution. To this end, they will remain in constant consultations at a high level to determine what specific actions must be undertaken. In addition, the labor ministers agreed to make joint efforts to issue an appeal to the United States concerning the implementation of immigration measures and the protection of the rights of Central Americans who remain in that country, as well as to receive those who want to return to their countries.

Ministers Adalberto Discua Rodriguez (Honduras), Benedictio Meneses (Nicaragua), and Catalina Soberanis, as well as Deputy Minister Lazaro Tadeo Bernal (El Salvador) and Mario Charpentier, the Costa Rican ambassador to Guatemala and representative of his country's Labor Ministry, signed the document.

COSTA RICA

ARIAS ON EUROPEAN TOUR, PEACE PLAN, NICARAGUA

PA231501 San Jose Radio Reloj in Spanish 0100 GMT 22 May 87

[Text] President Oscar Arias Sanchez spoke with representatives of the EEC in Brussels for 3 and 1/2 hours. The Costa Rican leader was accompanied by his foreign relations minister as well as the ministers of industry, energy and mines and national planning.

President Arias said it had been a very tiring day but one that ended well for Costa Rica's interests because we were able to have our peace plan analyzed by the EEC. No struggle for peace is (?ever wasted), President Arias said in Europe. The Costa Rican President said that Washington and Moscow hold the key to ending the conflict in their hands. Only through dialogue and through laying down the weapons, can peace in the region be achieved.

Central American's decisions must govern. Costa Rican neutrality must not be betrayed. The United States has never exerted pressure on me. A definite agreement will probably not be reached at Esquipulas. These were some of the more interestiang statements made by Dr Oscar Arias during an interview with the BBC. President Arias granted an interview to the BBC [words indistinct] during his recent stay in the British capital.

The Costa Rican president discussed several subjects and explained that his visit to Europe was in response to the need for support for his peace plan from the oldest democracies in the world.

In answer to a question, Arias said that his initiative [words indistinct] with the exception of Contadora, was made because Central American governments have no plans for reconciliation. For that reason, and because Costa Rica is a genuine democracy, we have proposed our own formula. He said that Washington and Moscow are responsible for the Central American crisis. Furthermore, at the current moment on conflict is autonomous; all are dependent. [todos ellos tienen su dependencia]. Hunger, poverty, and calamities exist in Central America, and, on the one hand, Moscow encourages the Salvadoran guerrillas, while on the other, the United States aides the Nicaraguan contras. This was President Arias' answer to a question by newswoman Lidia Zapata from BBC. Arias added [words indistinct] both superpowers [words indistinct] their intervention in Central America and support us with the dialogue [words indistinct] goodwill.

In another part of the long interview given in London, President Arias reiterated that his government will not permit any activity to originate in Costa Rica that facilitates aggression by an other country. The president referred to this issue when asked by the newswoman if the United States had exerted pressure on him to help the contras. Arias said that he [words indistinct] Washington to give food and logistical support to the contras [words indistinct] any other thing, but [words indistinct] would not tolerate [words indistinct] to attack any other country and that our position would always be [words indistinct].

The president concluded by stating that if at the upcoming Esquipulas summit no definitive agreements are reached on peace in Central America, he would not feel his peace proposal had been defeated, but would continue the struggle. He emphasized that no struggle for peace can be a defeat, even if it is not successful. He reiterated that this plan accords with Contadora concepts. During the interview [words indistinct] all of Latin America, President Arias said that relations with Nicaragua continue to be tense because the Costa Rican people feel they have been betrayed by the Sandinist commanders, who once coexisted with them, and who then returned to their home to construct a new democratic Nicaragua, not a new Cuba as they are doing.

NICARAGUA TO PRESENT ALTERNATE 'PEACE PLAN'

PA232024 San Jose LA PRENSA LIBRE in Spanish 16 May 87 p 4

[Text] Acting Foreign Minister Carlos Rivera Bianchini said that Commander Bayardo Arce's revelation that during the Esquipulas meeting, Nicaragua will present an alternate "peace plan," is a method to obstruct negotiations on the [Arias] peace plan.

The proposal that Nicaragua will present during the summit on 25 and 26 June contains nine points, including the resumption of talks with Washington, which were suspended in 1984 due to a "cooling" in U.S.-Nicaraguan relations.

Rivera Bianchini said: We believe President Arias' proposal is well-balanced; it makes no commitments to any [outside] governments that have interests in the area.

Rivera Bianchini was very surprised because several missions have been sent to Central America to discuss observations [as published]. News on the mission [not further identified] that left on Monday is awaited, but no reply has been received.

President Arias said that Managua is saving its aces for use at the Guatemala meeting.

So far no "observation" on the Arias plan has been received from the Sandinists.

The "Managua proposal" does not include important aspects of the Arias Plan, including amnesty leading to elections and a timetable. These points make our proposal different from the Contadora Plan.

The existence of another proposal obstructs the Arias plan.

Other points covered by Nicaragua, in addition to the "discussion of the U.S.' legitimate interests in the region," include the signing of a nonaggression treaty with verification and control mechanisms; the elimination of destabilizing actions, and an overall disarmament agreement, Bayardo Arce told the Panamanian press.

EL SALVADOR

PDC RESPONDS TO SOCIALIST CHARGES IN MEXICO

PA241759 San Salvador EL MUNDO in Spanish 22 May 87 p 11

["Press Communique" of the Salvadoran Christian Democratic Party, PDC; date and place not given]

[Text] During the Second Political Conference of Latin American Socialist Representatives, which was recently held in Mexico, the participants accused El Salvador of, among other things, having a dictatorial government. The PDC asks the participants: What do you understand by dictatorship?

We are surprised that our government was described in such a way at that conference because that description is not valid for our Christian Democratic regime. In a dictatorship, the government exists outside the Constitution. That is not the case in El Salvador because the government respects the Constitution and the other laws. if you do not believe this, review the rulings of the Supreme COurt of Justice. Those rulings were issued in accord with political interests, not for reasons of justice. Despite this, the Duarte government has respected them.

Duarte is the only one [as published] freely elected by popular vote. This is something we had not had in El Salvador for more than 50 years. We now have proven achievements in the human rights area. There is freedom of expression that even exceeds the bounds of wisdom and tolerance. However, these are the risks one runs when laying the foundations of a real democracy.

That is why we believe it is offensive for the Second Political Conference of Latin American Socialist Representatives to make that kind of a statement because in El Salvador there is a struggle against the extreme left which is fighting for power through violence. At the same time, we are enduring the attacks of the extreme right, which does not want to compromise. In the center is our sacred democracy for which we are working without pause so that it will direct the destinies of future generations because we do not want dictatorships or totalitarianism. That is our objective and we are achieving it.

We also want to remind the Social Democrats that they supported the establishment of a Marxist-Leninist dictatorship in Nicaragua through the help of their president, Carlos Andres Perez, who was president of Venezuela at that time, and of Dominican [Jose Francisco] Pena Gomez. Neverthelss, now they do not even mention the infamous govenments that oppress the Nicaraguan and Cuban peoples. To conclude, we would like to ask the Salvadoran Social Democrats the following: What position did you adopt in that conference and why did you adopt it?

FMLN CHANGE IN STRATEGY, RESULTS VIEWED

PA232133 San Salvador EL MUNDO in Spanish 21 May 87 p 28

[Unattributed commentary: "Strategic Changes"]

[Text] In the context of what Commander Leonel Gonzalez [member of the FMLN General Command] has called a "new stage" in the war, which began with the El Paraiso attack, the FMLN seems to be making diverse qualitative strategic changes since the beginning of the year, changes which have resulted in uninterrupted actions in the war of attribution, sabotage, and important actions against Army posts.

In barely 4 months, the FMLN has reported a total of 2,882 casualties inflicted by its forces on government troops, which is a number greater than the 2,736 casualties reportedly inflicted by the Army during the second half of 1986, according to FMLN reports. During the same quarter [as published], the guerrillas have been able to inflict at least five significant blows on the Armed Forces. the most important are: taking over Delicias de Concepcion in Morazan (Case File No 275); the attack on Military Detachment No 4 (Case File No 285); and the attack on the 4th Infantry Brigade (Case File No 282).

As part of this strategy, on 5 May the rebels attacked several military and paramilitary positions in the central and paracentral fronts. Among the positions attacked were Villa Victoria (Cabanas), where, according to Radio Venceremos, the FMLN "killed seven, wounded three, and held prisoner three members of the Civil defense in the town, destroyed the installations of the local command post, caused severe damage to the mayor's office and ANTEL [National Administration for Telecommunication] offices, and confiscated 20 files." The guerrillas also attacked other positions on the road between Suchitoto and Aguilares and on the Santa Rita farm. Finally, Radio Venceremos reported that guerrilla units attacked Cerro Teconal military base in San Vicente, 1 km from the 5th Infantry Brigade garrison. One of the characteristics of the current rebel offensive is the national coordination of the guerrillas foces and the mobilization -- in all the cases -- of combined artillery, command, and rifle units.

The critical military situation is beginning to have the desired effect on the Armed Forces High Command and on the U.S. advisers, who are beginning to admit that the division of the FMLN forces into small units is due to its strategic reorganization rather than a possible defeat, as the Army and the advisers had said. Proof of this is the statement on 6 May by Defense Minister General Carlos E. Vides Casanova regarding the need to reorganize the operational methods of the Armed Froces. According to Vides Casanova, "the actions perpetrated by the guerrillas are forcing us to undertake a permanent revision of all our defense plans and to improve the reaction systems that we must implement. We are reviewing this and detecting our military faults."

Implicitly, Gen Vides Casanova statements assume the acceptance of the fact that the strategic plans and strategies implemented thus far have not been effective or, at the least, that the Armed Forces have been incapable of carrying them out in such a way that it would make feasible the established strategic objectives. However, although the reorganization of the [guerrillas'] strategy could have favorable prospects for the FMLN, this does not mean it has a clear advantage over the Armed Forces and, much less, that it has possibilities of a military triumph, even in the medium term. Therefore, excessive optimism by the FMLN could become dangerous, particularly if it does not appreciate the true dimension of the political and military potential of the Armed Forces.

FOREIGN MINISTER ACEVEDO ON F-5'S FOR HONDURAS

PA232023 Buenos Aires REUTER in Spanish 1816 GMT 23 May 87

[Excerpt] Tegucigalpa, 23 May (REUTER) -- El Salvador, which waged a brief war with Honduras in 1969, is not opposed to Honduras' plans to obtain modern fighter planes, the Salvadoran foreign minister has said.

According to a communique issued last night in Tegucigalpa by the Honduran Presidency, Ricardo Acevedo Peralta said his government would not object to Honduras receiving the F-5 interceptors from the United States, because it is sure those planes would never be used against El Salvador. [passage omitted]

UNIVERSITY LABOR UNION INCORPORATES WITH UNTS

PA232234 San Salvador Radio Cadena YSKL in Spanish 1700 GMT 23 May 87

[Text] The leading union at the University of El Salvador [UES], comprised of students, empleoyees, and faculty, has officially announced its incorporation into the UNTS (National Union of Salvadoran Workers).

In a university union it is not enough for the various university labor sectors to be internally united, UES union members said. It was necessary to unify with the UNTS to jointly tackle the UES problems. The university is by the people and for the people and should contribute to the UNTS struggle. Both sides should mutually strengthen each other, the UES union members said.

GUATEMALA

'WHITE HAND' THREATENS BISHOP OF ZACAPA

PA230432 Guatemala City EL GRAFICO in Spanish 22 May 87 p 6

[Article by Ricardo Gatica Trejo]

[Text] Guatemala City, 22 May -- The terrible ultraright-wing group "The White Hand," which was believed extinct, has reappeared and has turned against; Msgr Rodolfo Quezada Toruono, bishop of Zacapa and prelate of Esquipulas, whom it has "warned to leave the region or be physically eliminated."

A coarse communique full of spelling mistakes, the background of which bore the infamous emblem of "the back of a hand," was sent to our editorial staff announcing the actions that will be carried out against Msgr Quezada Toruno.

The message, which also hails well known right-wing leaders in the eastern part of the country, points out that "Msgr Quezada Toruno, Catholic Action, and charismatic groups, do not respect our peoples' religious beliefs."

The message, which includes a photograph of Msgr Quezada Toruono, points out that "the bishop as well as his collaborators must abandon the region because if they do not they will be taken out dead."

In another part of the message there are a number of accusations against Msgr Quezada Toruno and his work teams, especially regarding their lack of respect "for the beliefs of the Catholic people in the eastern part of the country."

In conclusion, as a slogan, "The Hand" (Organized National Anticommunist Movement), points out that "during the sixties we threw the communists out of here. We will do it again now."

HONDURAS

SALVADORAN FOREIGN MINISTER ON ARIAS PLAN

PA240430 Panama City ACAN in Spanish 1604 GMT 23 May 87

[Text] Tegucigalpa, 23 May (ACAN-EFE) -- Honduras and El Salvador advocate that the irregular forces operating in some of the countries of the region should be included in the peace negotiations proposed by Costa Rican President Oscar Arias.

This was announced today in Tegucigalpa by Salvadoran Foreign Minister Ricardo Acevedo Peralta, who since yesterday has been meeting with his Honduran counterpart, Carlos Lopez Contreras.

The "Arias plan" will be discussed by the Central American presidents at a meeting that will be held in Esquipulas (Guatemala) on 25 and 26 June, following an agenda that will be prepared by the foreign ministers at a meeting in the Honduran port city of Tela on 12 and 20 June.

The peace proposal for the region presented by President Arias to his Central American colleagues contemplates a cease-fire, an end to U.S. aid to the Nicaraguan contras, the withdrawal of foreign military advisers, dialogues between the governments and their internal opposition, democratic elections, and amnesty for those people persecuted for political reasons. "We must insist the 'Arias plan' be disussed in Esquipulas and several changes be made to enhance it," the Salvadoran foreign minister said. Acevedo Peralta added that to strengthen the "Arias plan," prior to the Esquipulas meeting the Salvadoran Government will declare amnesty for political crimes, with the exception of those that resulted in terrorist actions. Acevedo Peralta said "the Salvadoran guerrillas have rejected the Costa Rican president's peace plan for Central America and want no type of dialogue whatsoever." He also explained that the Central American governments, with the exception of Nicaragua, are making a great effort to achieve peace on the isthmus through dialogue.

Acevedo Peralta said his government, just as Honduras', is not in favor of discussing a cease-fire in Central America because there are no armed conflicts among the nations, only internal conflicts that would end if certain nations refrained from supporting the irregular movements. "If we achieve a consensus in regarding to ending the support the irregular forces receive and broad amnesties are granted, it is almost certain there will be peace in all of the Central American countries," he said.

Acevedo Peralta also pointed out that his government and Honduras' are trying to prevent the peace negotiations from failing and are trying to achieve the development and strengthening of democracy in Central America "without Nicaragua." "We must give Nicaragua a deadline to achieve democratization because we cannot conceive of a Central America permanently threatened by guerrilla forces directly supported through a country in the area in an open display of intervention," he explained.

Acevedo Peralta said "if there is going to be a cease-fire in every country, it must be the result of a dialogue among the governments and the irregular forces and political forces of opposition that believe in democracy as a way of life."

PEASANTS VACATE INA OFFICE, AZCONA PLEDGES REFORM

PA230403 Paris AFP in Spanish 0322 GMT 23 May 87

[Text] Tegucigalpa, 22 May (AFP) -- Hundreds of peasants tonight evacuated the National Agrarian Institute (INA) offices in several cities that were occupied 3 days ago after President Jose Azcona pledged to expedite land distribution.

A commission made up of the government, the Armed Forces, and peasant leaders will determine the status of the lands that were occupied on Wednesday by some 60,000 peasants at the same time as the occupation of the INA offices, official sources reported.

President Azcona mediated directly to solve the problem after negotiations at the ministry level failed. However, the president refused to remove Mario Espinal, INA director, as the peasants demanded.

AZCONA LEAVES FOR ISRAEL, DISCUSSES PLANE ISSUE

PA251450 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 25 May 87

[Text] Honduran President Jose Azcona left for Israel yesterday. His retinue was composed of several members of the Honduran Armed Forces, other government figures, and special guests. President Azcona did not rule out the possibility of negotiating the purchase of armaments for the Honduran Armed Forces during his visit to Israel.

President Azcona left for Houston, in the United States, yesterday morning. He will continue his trip to the Netherlands today and will leave for Israel on Wednesday.

In this 2-week trip, President Azcona is accompanied by presidential designate Jaime Rosenthal Oliva; Foreign Minister Carlos Lopez Contreras; General Humberto Regalado, chief of the Honduran Armed Forces; Colonel Rafael Castro, chief of the presidential general staff; and Fernando Lardizabal, former private enterprise leader. Except for Lardizabal, all the other retinue members are accompanied by their wives, thus doubling the number of people accompanying the president and the expenses of the trip, which is occurring while the government is trying to cut down its budget to 100 million lempiras.

Responding to questions regarding the purchase in Israel of armaments for the Honduran Armed Forces, President Azcona said: We are not going with any specific purpose, but perhaps we will discuss that.

Gen Humberto Regalado ruled out the possibility of negotiating for the purchase of Kfir military planes in Israel. The plane issue has been sufficiently discussed. We will purchase F-5E planes from the United States, Gen Regalado confirmed.

NICARAGUA

BOS VIEWS U.S., USSR 'OBSTACLES' TO ARIAS PLAN

PA260034 Panama City ACAN in Spanish 2241 GMT 25 May 87

[Text] San Jose, 25 May (ACAN-EFE) -- The 'interference" by the United States and the USSR in the Central American conflict, and the "nature" of the Sandinist government are the main obstacles that the peace plan of Costa Rican President Oscar Arias will have to face.

The abovementioned information was given today to ACAN-EFE by the Southern Opposition Front (BOS), one of the groups that form part of the Nicaraguan Resistance. The BOS delivered a document to ACAN-EFE in which it also emphasizes several points of the Costa Rican initiative that it feels are positive for achieving peace in the region. Among other positive aspects, the BOS says the timetable for democratization included in Arias Sanchez' proposal and the Central American political role in the search for peace.

The BOS analyzes the feasibility of the "Arias plan," and insists that at present there exists "the best conditions for pressuring Nicaragua toward a democratization." Among "these better conditions," the BOS mentions the pressures exerted by the European countries over Nicaragua through "diplomatic and propaganda channels," although it says one must not disregard the obstacles that might oppose the "plan" in the future process of negotiations following the presidents' meeting in Guatemala. The Central American presidents will meet in Guatemala on 25 and 26 June.

According to the BOS, the main obstacle is that the area conflict has ceased being a regional conflict or a conflict between the United States and some countries of the region, and has acquired the dimensions of an "East-West" conflict. The solution therefore does not depend only on the "Nicaraguans, (Daniel) Ortega, (Napolean) Duarte, or Arias." It depends on what "the metropolis decide, and we are not sure there is support from both powers, the United States and the USSR" for the Arias Sanchez proposal, the document adds.

The BOS states that a second obstacle is "the very nature" of the Sandinist regime. "There are no precedents that allow us to think about the possibilities that a regime of the Sandinist nature would yeild, share power, and accept the path to democracy" at a negotiations table, the anti-Sandinist group states. "This might be the first time, although we should not be very optimistic," it adds.

PASTORA CONSIDERS RETURNING TO NICARAGUA

PA221701 Madrid EFE in Spanish 1554 GMT 22 May 87

[Text] San Jose, 22 May (EFE) -- Nicaraguan rebel leader Éden Pastora, who at present has abandoned the armed struggle, revealed in San Jose today that he has met with Sandinist representatives who proposed that he return to Nicaragua.

Pastora, who 1 year ago turned himself in to Costa Rican authorities and requested political asylum in this country, said that members of the Nicaraguan People's Assembly proposed to him the possibility of returning to Managua, to which he replied "yes, he was willing to reunify the Sandinist family."

The guerrilla chief, who, following the Sandinist revolution moved to those in armed opposition to the Managua government because of disagreements over the ideological line adopted by the new leaders, said he had told the aforementioned Nicaraguans of his willingness "to remain in exile if necessary." He said he had told them he was even willing to "die in the field, as long as the revolution we proclaimed and were going to carry out is" the one that is established in Nicaragua. "I asked them for a political plan; I asked them to tell me what type of revolution we were going to defend and what my role was going to be within that defense." However, problems emerged, he added.

Pastora, who does not like to be called a contra, said "the contacts have continued" but the Sandinists "never had the capacity to anlayze the positions we have always defended in the face of U.S. imperialism or any other imperialism."

"It is not easy for them to handle politically my return to Managua. It would be like admitting I was right," he said, adding that if the Nicaraguan leaders "were more humble and admitted they had made a mistake, the reunification of the Sandinist family would be stronger and we would form a single front."

"The difference with Managua "is that they are Marxist-Leninist revolutionaries and we are Sandinist revolutionaries," the rebel leader said [quotation marks as received]. Regarding his political position, he said "we cannot continue to coincide with the counterrevolution."

Concerning the possibility there might be changes in the country's political and ecnomic policies, Pastora, who is also known as Commander Cero, said "if they have come to me, it is because they are willing to make some changes."

Regarding the reunfication early this month of the contras in the Nicaraguan Resistance, which includes representatives of various factions within the opposition to the Managua government, Pastora said it is only a "cosmetic change to try to legitimize the Somozist criminals of the past who are in the north," in reference to the United States. He added that all its members have always been in the contra [as received] and that there is nothing new.

Regarding the rebel attacks on cooperatives, electric towers, and fuel tanks, Commander Cero said "it is a means of pressure so international communism will stop its guerrilla actions in El Salvador and in exchange, the CIA will stop infiltrating more terrorist commandos into Nicaragua." There has not been an increase in military pressure, but "a war of terrorism," he explained.

Eden Pastora said this is "a mistake of U.S. foreign policy that works in favor" of the Managua regime. "I do not think that in this way we will be able to overthrow a Marxist-Leninist dictatorial government," he concluded.

RAMIREZ RECEIVES U.S. CONGRESSIONAL DELEGATION

PA260044 Managua Radio Sandino in Spanish 1930 GMT 25 May 87

[Text] Nicaraguan Vice President Sergio Ramirez Mercado last night received a U.S. Congressional delegation headed by Thomas Carper of Delaware and Alan Wheat of Missouri.

At the end of the meeting, Ramirez said the congressmen spoke to him about the possibility of suspending financing of the Somozist mercenaries. This suspension would depend on Nicaragua's meeting several conditions, including lifting the state of emergency, expanding the amnesty law, and normalizing relations with the Catholic hierarchy.

ORTEGA REACTS TO HONDURAN REQUEST FOR F-5'S

APA221738 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 22 May 87

[Passages within quotation marks recorded]

[Text] [Announcer] Nicaragua and any other Central American country can acquire planes similar to the F-5 war planes that the Reagan administration will eventually give to Honduras, President Daniel Ortega told local and foreign newsmen today. The president said Nicaragua does not feel threatened by Honduras, but by the U.S. policy that provokes tensions in Central America.

[Ortega] "Nicaragua has not renounced its right to acquire fighter planes of any make. Helicopters are currently our fundamental air resource. We believe if we had fighter planes, it would improve our possibilities of intercepting air supplies that the mercenary forces get from the CIA."

"The fact that Honduras will receive F-5 planes -- as is currently being discussed -- does not and will not determine whether Nicaragua receives fighter planes. Our needs will determine that."

"Naturally, Honduras' introduction of F-5 planes causes a problem. It more than justifies the decision by any Central American country, including Nicaragua, to acquire planes similar to those."

[Announcer] The president also discussed the upcoming summit of area presidents set to take place in Guatemala.

[Ortega] "We will go to the meeting in Esquipulas, Guatemala, to discuss the problem in overall terms and to discuss constructive proposals [words indistinct] will seek points of common interest, of convergence, that will allow us to advance effectively in favor of peace."

[Announcer] He said that relations with Costa Rica are not excellent, as Costa Rican President Arias said in England. However, he admitted there are signs of improvement.

[Ortega] "Costa Rica's sending an ambassador to Nicaragua after 1 year is a gesture of goodwill by Costa Rica, and Nicaragua salutes it. However, this does not mean relations between Costa Rica and Nicaragua are automatically normalized."

CONTRA ATTACK LEAVES LARGE SECTORS WITHOUT ENERGY

PA252356 Panama City ACAN in Spanish 2226 GMT 25 May 87

[Text] Managua, 25 May (ACAN-EFE) -- Official sources today confirmed that a new sabotage action by anti-Sandinists left an important sector in Nicaragua's north without energy. The contras damaged electric tower with explosives near the San Isidro Granaries, Matagalpa Department, in the country's north. The attack interrupted the energy flow to cities and towns in Nicaragua's region 1, which includes Esteli, Nueva Segovia, and Madriz Departments. Asked by ACAN-EFE, a government source said the damage caused by the sabotage will be repaired within 72 hours beginning tomorrow.

The rebels' action against an economic objective in the country occurred after four anti-Sandinists tried on Friday to topple an electric tower with explosives. The electric tower was part of the energy system between Presillas and Cara de Mono, 268 km southeast from Managua.

The contras who participated in this action, which aimed at leaving the Juigalpa-El Rama sector without energy, were killed when Army troops engaged them for 10 minutes.

Government sources said that over the past 5 years unconventional forces have destroyed about 10 electric towers that affected the entire Central American energy system.

WHEELOCK ON ENERGY PROBLEM, PLAN NONIMPLEMENTATION

PA242042 Panama City ACAN in Spanish 2151 GMT 23 May 87

[Text] Managua, 23 May (ACAN-EFE) -- In the upcoming months, Nicaragua will experience a shortage of some luxury goods and problems with the supply of oil and energy, one of the nine commanders of the Sandinist government announced today.

Commander Jaime Wheelock, minister of agricultural development and agrarian reform, after describing the difficult economic situation in the country, worsened by the war, requested the people's support to face the situation. Wheelock made the announcement during a national assembly of state workers, who reviewed the problem of social control on production, which up to now has put a strain on the economy in view of the growth of the "informal economy." However, in the middle of the crisis, Wheelock announced that in the upcoming months there will be a wage increase for workers. Wheelock defended the policy of wage increases by saying they are not the absolute cause of inflation, as economists pointed out. Wheelock said, "we are going to have oil and energy problems," but he did not disclose further details about the situation that has already begun to adversely affect Nicaraguan society.

The only oil refinery in Nicaragua, which is located in Managua, stopped operating 10 days ago because of technical problems that have brought about lines up to 300 meters long at gasoline stations. Emilio Canales, oil supply director, said there is "enough" fuel in the country, but there are problems in the distribution of oil byproducts.

According to official reports, the Managua oil refinery suspended operations on 10 May because of problems in the hydroformation system [sistema de hidroformacion], which technicians are currently trying to get fixed in the next few hours. Nicaragua buys 90 percent of its oil from the USSR, after having problems paying the debt of its crude oil purchases from Mexico and Venezuela.

In view of this situation, the Sandinist commander asked the workers, on behalf of the government, for their understanding and support to face the economic crisis, which will get worse in the upcoming months because of the lack of such products. Wheelock balmed the United States for causing the scarcity of such products and for the economic crisis that is worsened by inflation, which according to independent economists will reach 1,700 percent this year. Wheelock said that if the war, promoted by Washington, did not exist, the Nicaraguan Government would not have to allocate more than 40 percent of its national budget to "arm, feed, and dress" the army.

Commander Wheelock said that the 1987 economic plan, designed to protect the real wages of workers and to stimulate production, "will not be able to be fully implemented" as planned. Jaime Wheelock said that in the sugar industry sector, the goal of 6.5 million quintals will not be met, because only 5.2 million quintals will be produced in that export field.

Regarding sorghum, the revolutionary leader said the government had planned to sow some 50,000 hectares, but that goal will not be met either. "The year 1987 will be decisive," and only with an "increase in production and better distribution and storage of goods will the workers' income be protected," Wheelock said.

Wheelock pointed out that some 2 million units of personal deodorant are needed, but only 344,000 will be purchased abroad, and likewise, only 21,000 boxes of toilet paper out of the 546,000 that are needed will be able to be bought. As for toothpaste, the Nicaraguan Government was only able to purchase 8,000 boxes out of the 26,000 that are needed. The case of deodorant is worse because only 344,000 out of 2 million units needed in the market were bought.

FSLN REPORTS 183 CONTRA CASUALTIES 12-18 MAY

PA230332 Managua Domestic Service in Spanish 0300 GMT 22 May 87

[Defense Ministry Directorate of Public and Foreign Relations communique on recent EPS-contra clashes issued in Managua on 21 May]

[Text] 1. From the period of 12 to 18 May there were 20 clashes between EPS Forces and counterrevolutionaries, and the areas most affected were San Pedro del Norte and Nueva Guinea in Zelaya Department, Wiwili and Pastasma in Jinotega Department, and Quilali in Nueva Segovia Department The clashes resulted in 183 mercenary casualties, of which 145 were deaths. The EPS seized a large amount of military materiel.

2. The leading combat actions were:

A. As a result of the "Interservice Unity, after 60 Years of Dignity" operation in Amaka, (San Andres de Bocay), in 36 hours the counterrevolutionaries were dislodged from their positions that were established for propaganda purposes, and to get supplies into the country's interior. As a result, the contras suffered 52 deaths, and our troops suffered 8 deaths and a downed helicopter.

B. On 12 May there were clashes in the vicinity of San Pedro del Norte, central Zelaya Department, that left five mercenaries dead.

C. On 13 May there were clashes in the vicinity of Rancho Grande, Matagalpa Department. Twelve mercenaries were killed by the EPS and six were wounded.

D. On the same day there were clashes in the vicinity of San Rafael del Norte in Jinotega; nine contras died, three were wounded, and three EPS soldiers were wounded On 14 May there were clashes near Santo Domingo in Chontales Department where 10 mercenaries were killed. Two EPS soldiers were wounded.

3. As a result of the terrorist policies promoted by the mercenary forces against the civilian population and our country's economy, the contras carried out six terrorist acts. The results were 11 dead, 7 wounded, and 2 kidnapped. The most important actions were:

A. On 12 May a mercenary group ambushed a civilian station wagon in Piedra Larga, Esteli Department. One civilian was killed and another wounded.

B. On 13 May a counterrevolutionary group ambushed vehicles in the area known as El Guabo, 6 km to the northeastern part of Waslala in Matagalpa Department. Two civilians were injured and one kidnapped. On the same day a group of counterrevolutionaries attacked a settlement in (Loma Alta), 10 km south of Pantasma in Jinotega Department. Five civilians were killed.

4. On 16 May mercenary groups attacked the town of Comalapa, 23 km to the northeast to Juigalpa, Chontales Department. One civilian was killed and another kidnapped.

5. On 17 May a counterrevolutionary group ambushed a civilian vehicle 6 km to the southeast of Wiwili in Jinotega Department. One civilian was wounded.

6. On 18 May a counterrevolutionary group attacked the Los Tanques cooperative, located 33 km to the northeast of Camuapa, Boaco Department. Four civilians, including two children, were killed and two women were wounded.

[Signed] Directorate of Public and Foreign Relations, Defense Ministry.

Managua, 21 May 1987.

GOVERNMENT TO ACCEPT SIMPSON-RODINO DEPORTEES

PA221835 Managua Radio Sandino in Spanish 1930 GMT 21 May 87

[Communique issued by the Labor Ministry; place and date not given]

[Text] A meeting hosted by Guatemala with the Central American labor ministers will be held on 22 May to examine jointly the problems Central American isthmus countries will face with the implementation of the new U.S. immigration law known as Simpson-Rodino.

Following its policies of abroad protection of fellow citizens, the Nicaraguan Government will not change its decision to accept all those Nicaraguans wishing to return to Nicaragua to integrate themselves with the tasks aimed at the country's development.

Taking into account the violation to human rights, as well as the negative impact the massive deportations from the United States could have on the Central American countries, the Nicaraguan Government is willing to take part in any initiative the Central American countries might agree on to reach a just and balanced solution to this serious problem.

STATE AIRLINE TO USE SOVIET-MADE PLANES

PA222025 Hamburg DPA in Spanish 1915 GMT 22 May 87

[Text] Managua, 22 May (DPA) -- The first Soviet-made passenger planes to be used in Central America will be incorporated into the Nicaraguan airline AERONICA fleet, it was reported today in this capital.

The IL-62 will be used for overseas flights to boost the Nicaraguan network, which only has two Boeing-727's that fly between Mexico and Panama.

Soviet Ilyushin planes belonging to AEROFLOT and Cubana de Aviacion currently make stopovers in Managua. However, these planes are not used by any other Central American country.

AERONICA General Manager Julio Rocha said the acquisition of two AN-26 planes for local flights was also included in the negotiations to acquire the "Ilyushin."

For its domestic flights, which are mostly to the Nicaraguan Atlantic coast, AERONICA uses C-46 and Spanish-made Aviocar planes.

The top AERONICA official added that because of the repairs taking place on one of the two Boeing-727 planes owned by Nicaragua, the company had to lease a Soviet TU-124B plane for 40 days.

Nicaraguan sources reported that Nicaragua will pay $400,000 to lease that passenger plane, and it had to resort to the Soviet Union because none of the Central American companies wanted to lease a plane to AERONICA. Rocha also reported that the company he manages has not received state subsidies since 1985, and that during the first 4 months of the year, the company earned $917,501 from the sale of international flights.

AERONICA has an agreement with the Costa Rican airline LACSA for the transfer of its passengers to Miami, in the United States.

CHURCH-STATE DIALOGUE MAY RESUME 'NEXT WEEK'

PA220452 Managua Radio Sandino in Spanish 1930 GMT 21 May 87

[Text] Eddy Montenegro, deputy chancellor of the archbishopric, has stated that the church leadership and the Nicaraguan state are still in favor of renewing the dialogue, possibly next week. He made this announcement today.

Montenegro explained that the church-state dialogue commission meeting scheduled for 4 May had to be postponed because of the trips to Europe by Apostolic Nuncio Paolo Giglio and Cardinal Miguel Obando y Bravo. He dismissed all other reasons.

Msgr Giglio went to Rome approximately 1 month ago as part of his obligations which include reporting to the Vatican on his work in Nicaragua. Cardinal Obando traveled for personal reasons, according to the prelate.

Consulted about the state of the talks, Giglio said as long as there are talks there is the opportunity to advance and secure peace in Nicaragua.

Meanwhile, an ecclesiastical source who asked not to be identified has revealed that in addition to the regular meeting of the dialogue commission, the Catholic bishops agreed at a recent meeting of the Episcopal Conference to ask President Ortega for a separate meeting to analyze the latest talks.

At the fifth meeting of the mixed dialogue commission, which took place on 5 May, the participants discussed some points of agreement on two lists of subjects for discussion, one from the state and the other from the church.

U.S. SUGAR QUOTA AFFECTS PRODUCER COUNTRIES

PA251451 Havana International Service in Spanish 2300 GMT 24 May 87

["Our America" commentary]

[Text] Since the announcement in late 1986 of a reduction in the sugar quotas in the U.S. market for more than 40 Third World countries, it became obvious once again that it is necessary to unify efforts to face that and other economic attacks from the White House.

The Central American and Caribbean area, which produces 28 million tons of sugarcane a year, produces almost one-third of the world's consumption, and exports 46 percent of the total world production. With the drastic and effective U.S. measure, tens of thousands of workers took to the streets as a result of the paralyzation of activities in many sugar factories that could not be maintained by the governments of sugar-producing countries.

The economic deterioration in the sugarcane producing countries has been noticeable as a result of the continuous contractions in the U.S. and international markets. In only 3 years -- from 1984 to date -- losses amounted to $500 million. During that period, the United States limited the purchase of sugar by almost 2 million tons. Several factors contributed to the U.S. Government's position. First Washington's strong protectionism of its domestic market. U.S. farmers produce sugar at costs that are higher than the world's average production costs; however, they receive subsidies as incentives. Another factor is the large-scale promotion of synthetic sweeteners that are more sweet than sugar, and whose production is only inhibited by its production costs.

The world's largest sugar consumers, the candy and soft drink industries, have preferred to use these synthetic sweeteners instead of depending on unstable international markets. These enterprises are investing huge sums of money in research projects aimed at finding less expensive sweeteners to eliminate completely the need to buy sugar. This means in coming years substances such as saccharine or asparthame, which are 200 times sweeter than sugar, will completely substitute for sugar.

Sugarcane producing countries have only one or two options to choose in confronting industry's lack of competitiveness: establishing unified prices by all producers, and developing new sugar byproducts.

Therefore, the struggle of our nations in that field will be successful depending on how soon a common strategy is agreed upon.

RODRIGUEZ MEETS WITH SOVIET BANK CHAIRMAN

FL230223 Havana Radio Reloj Network in Spanish 0203 GMT 23 May 87

[Text] Carlos Rafael Rodriguez has received in Havana Vazha Dzhindzhikadze, chairman of the International Bank for Economic Cooperation of Moscow, who is in our country at the invitation of the National Bank of Cuba. During the meeting, Rodriquez expressed Cuba's awareness of the active role the institution plays in economic-financial relations among CEMA member countries.

GDR ENVOY TO CUBA PRESENTS AID FOR FMLN

LD252147 East Berlin ADN International Service in German 2049 GMT 25 May 87

[Text] Havana, 25 May (ADN) -- Comprehensive donations from the GDR Solidarity Committee to the Salvadoran liberation movement were turned over in the FMLN-FDR permanent mission to Cuba in Havana on Monday. In doing so, GDR Ambassador to Cuba Karlheinz Moebus reaffirmed the consistent support of the people of the GDR for the just struggle of the suppressed Salvadoran population. The GDR strongly supports a peaceful solution to the conflicts in Central America and is in favor of the peace efforts of the Contadora states and the Lima group.

POLISH PEASANTS DELEGATION ATTENDS CONGRESS

LD230954 Warsaw PAP in English 2111 GMT 22 May 87

[Text] Havana, May 22 -- A delegation of the United Peasant Party (UPP) composed of the Presidium member, UPP CC Secretary Mazimierz Olesiak and chairman of the UPP Voivodship Committee in Bydgoszccz Henryk Chmara paid a visit to Cuba between May 15 and 20. The UPP representative took part in the 7th Congress of the National Association of Small Farmers (ANAP), an organization with which the UPP has maintained friendly contacts for many years now.

The delegation met with newly elected chairman of ANAP, Orlando Lugo Fonte, to discuss lines of further cooperation between the two parties.

SWEDEN SIGNS BILATERAL COOPERATION AGREEMENT

FL220316 Havana Radio Reloj Network in Spanish 0202 GMT 22 May 87

[Text] The final document of the annual Cuba-Sweden consultative meeting on economic, trade, and scientific cooperation was signed today in Havana. Matters related to bilateral cooperation in the areas of the sugar and basic food industries, as well as in [word indistinct] dams, construction material, and public health are included in the final document. Through the International Technical Cooperation Agency, Sweden will study new projects presented by Cuba in the areas of construction materials and the food and sugar industries.

Raul Taladrid, vice president of the State Committee for Economic Cooperation, who participated in the signing of the final document, expressed his appreciation on behalf of our government for the cooperation and assistance given by the Swedish Government. He said they also discussed bilateral trade interests during the negotiations.

GUYANA SIGNS MINING COOPERATION AGREEMENT

FL222239 Bridgetown CANA in English 1906 GMT 22 May 87

[Text] Georgetown, Guyana, May 22, CANA -- Guyana and Cuba have moved closer to establishing their first joint-venture economic project with the signing here of a protocol providing for cooperation in the mining of kaolin and gold. Officials here say the kaolin project is being given top priority and it is hoped that this project will set off the ground before the end of this year.

Details pertaining to matters such as equity participation are yet to be worked out but these are likely to be finished at a meeting to be held in Havana, the Cuban capital, in six weeks. Work on the gold project is still at the preliminary stages. Proposals for the two projects were first raised during discussions between presidents Desmond Hoyte and Fidel Castro during bilateral talks when they were in Zimbabwe last September for the Eighth Nonaligned Summit Conference.

And, following agreement at the 12th meeting of the Guyana-Cuba joint commission in Guyana in March, this year, a three-member technical team from Cuba arrived here earlier this month and gathered information pertaining to the exploitation of kaolin from the deposits at Topira in the bauxite belt.

ISIDORO MALMIERCA TOURS ALGERIA, IRAQ, IRAN

FL231818 Havana Radio Progreso Network in Spanish 1100 GMT 23 May 87

[Text] Cuban Foreign Minister Isidoro Malmierca began a tour of Algeria, Iraq, and Iran today to discuss the upcoming Nonaligned Movement meeting scheduled for 9 June in Pyongyang, DPRK.

Meets With Ibrahimi

FL251600 Havana Radio Reloj Network in Spanish 1213 GMT 25 May 87

[Text] A broad spectrum of regional and international political issues was analyzed in Algiers by Cuban Foreign Minister Isidoro Malmierca and his Algerian counterpart, Ahmed Taleb Ibrahimi. Malmierca, who is on a working visit, and Ibrahimi exchanged information on the Central American, Middle East, and African situations and analyzed the work carried out by the Nonaligned Movement. They also analyzed the results of the meeting held in Guyana by the Coordination Bureau of the Nonaligned Movement.

The Cuban foreign minister also met with Mohamed Cherif Mesaadia, secretary general of Algeria's National Liberation Front [FLN], with whom he discussed various topics. The meeting was held at FLN headquarters. Malmierca and Mesaadia also reviewed bilateral relations, which our foreign minister described as very positive.

Comments on Middle East

FL252130 Havana Radio Reloj Network in Spanish 1946 GMT 25 May 87

[Text] Cuban Foreign Minister Isidoro Malmierca stated today that Algeria and Cuba are in agreement on their assessment of major international problems. At the end of an official visit to that country, Malmierca expressed his gratitude to the Algerian Government for the way he was treated. He said that a detailed analysis of the situation in several regions of the world was made during his visit.

Shortly before leaving the Hourari Boumedienne Airport, the Cuban foreign minister noted that during talks with top Algerian officials a common wish to actively contribute to international peace and safety was reiterated. Regarding the Middle East conflict, Malmierca asserted that decisive efforts need to be made in finding a solution, which should include the acknowledgement of the Palestinian people's legitimate right to create an independent state.

CHRISTIAN CONFERENCE FOR PEACE BEGINS IN HAVANA

FL260126 Havana Television Service in Spanish 0000 GMT 26 May 87

[Text] The third continental congress of the Christian Conference for Peace in Latin America and the Caribbean began today at the Palace of Conventions. The meeting's main subject is liberation and peace, a requirement of the gospel. Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, and Jose Felipe Carneado, chief of the department that deals with religious matters, participated in the opening ceremony as guests.

[Begin Rodriguez Recording] There is no deeper concern in the minds of the men and women who worry over the future of humankind than to meditate about peace and work to attain it. Since World War II there has been no other time when we have been closer to war than in the last 8 years. Not even in the fifties when someone said peace was hanging by a thread. We all know where the worst threat has come from in the last few years. Unfortunately, we have to mention it in this meeting where hatred does not exist and justice is sought. [end recording]

Over 300 priests, church leaders, religious personalities, and theologians of international prestige are attending the Third Congress of the Christian Conference for Peace in Latin America and the Caribbean. The meeting, which began today, will conclude its work sessions on Friday, 29 May.

JORGE RISQUET CONCLUDES VISIT TO UGANDA

FL251355 Havana Radio Reloj Network in Spanish 1202 GMT 25 May 87

[Text] Jorge Risquet, member of the Politburo and Secretariat of the Central Committee of the Communist Party of Cuba [PCC] has concluded a 5-day visit to Uganda. During his visit he toured part of the country, which is located in equatorial Africa. The Cuban party leader met on two occasions with Ugandan President Yoweri Museveni, with whom he exchanged views on several topics of mutual interest and on increased bilateral relations.

Risquet also met with Prime Minister Samson Kisekka, Secretary of State Reiya Kategaya, Secretary of State for Defense Ronald Bata, and several members of the National Resistance Council, which is presided over by Museveni. Risquet's delegation was bid farewell at Entebbe Airport by Secretary of State Kategaya, several members of the National Resistance Movement, and Cuban Ambassador to Uganda Angel Nicolas.

ROA REASSERTS SUPPORT TO NAMIBIA'S INDEPENDENCE

FL231610 Havana Radio Reloj Network in Spanish 1218 GMT 23 May 87

[Text] Raul Roa Kouri, Cuban assistant foreign minister, has reasserted that the Resolution No 435 is the only peaceful means for Namibia to achieve independence from the South African regime. He noted the West is still attempting to delay Namibia's independence so that U.S., French, and FGR transnationals can continue with their looting by exporting the resources of the occupied country.

The Cuban assistant foreign minister said those interests want to maintain their domineering presence in southern Africa, disturb the region's independent and progressive governments, and continue exploiting their resources. Roa Kouri also indicated that it is important a meeting is held in Angola to discuss Namibia. He referred to Angola as the rearguard of the South-West African People's Organization, SWAPO.

RADIO-TV MEETING ENDS; ALDANA MEETS WITH DELEGATES

FL222141 Havana Radio Reloj Network in Spanish 1932 GMT 22 May 87

[By Juan Emilio Frigols]

[Text] The 33d general assembly meeting of the International Radio and Television Organization [OIRT] concluded this afternoon in Havana with recommendations on its programming tasks. The agreements reached include providing propaganda and support on behalf of the Soviet Union and other countries in regard to disarmament and world cooperation based on dialogue and understanding. It also includes defending human rights and opposing campaigns of lies and falsehoods aimed at discrediting socialist countries.

Other recommendations refer to the defense of the new international order, expanding the organization's membership in Asian and African countries, and scheduling of special programs for the World Youth and Student Festival and the Olympics.

This afternoon, Carlos Aldana, secretary of the Central Committee, met with OIRT delegates in the Palace of Conventions. Aldana congratulated the delegates for the success of their general assembly, expressed his appreciation for holding the event in our country, and said the PCC values radio and television work as an expression of the quality of life.

Before the OIRT meeting closed, (Zachary Puro) of Finland was elected president of the OIRT Administrative Council. The People's Republic of Hungary and the People's Republic of Mongolia were elected vice presidents.

ECUADOREANS PROTEST U.S. TROOP PRESENCE

PA221856 Havana International Service in Spanish 2300 GMT 21 May 87

[Report by Amalia Sanmartino]

[Text] Vigorous protest demonstrations and congressional debates continue in Ecuador against the presence of U.S. troops in the Amazon region of this South American country. Ecuadoran police repressed with marked violence the student demonstrations that took place in the main streets of Quito and other cities on Wednesday. Such demonstrations have been taking place since last week. Ronald Andrade, president of the Association of Students of the Mejia Pre-University School, reported that a student died after being shot in the chest and that an unspecified number of students were wounded by police.

With the pretext of helping to rebuild the zones devastated by the October 1986 earthquake, a contingent of U.S. troops has been in the Ecuadoran Amazon region for approximately 1 month. From the start, this has provoked angry protests from all sectors. Opposition legislators have said that troops, especially foreign troops, are not needed to repair the damage. The street protests have been accompanied by congressional debates. It must be added that (Fernando Guerrero), chairman of the parliament's International Affairs Committee, led a delegation of deputies of various political parties that traveled to the Lago Agrio region. On their return, they will have to report on the U.S. military presence in the Ecuadoran Amazon region.

During the meeting of legislative committees on Wednesday, several deputies expressed their disagreement with Defense Minister Medardo Salazar's reply to the request for information about the legality, activities, and number of U.S. troops in the country. The legislators said Salazar's report did not explain many aspects that justify the protests of workers, intellectuals, and students who reject the undesirable foreign presence.

Meanwhile, the debates and demonstrations continue, and there is increasing rejection of U.S. interference, which many already describe as an attempt to remain permanently to crush protests against explosive social situations.

UK REFUSES BWIA PERMISSION TO FLY TO LONDON

FL221950 Bridgetown CANA in English 1107 GMT 20 May 87

[Text] Castries, St Lucia, May 20, CANA -- St Lucia is unhappy with the refusal of the British Government to grant the Trinidad and Tobago state-owned airline BWIA International permission to fly to London from Port of Spain, via St Lucia, and to fill the gap left by the withdrawal of Barbados' Caribbean Airways from the London route. The Ministry of Foreign Affairs here said that St Lucia had in fact indicated to the British Government that it was fully supporting BWIA's application for the additional flights, since it would have been one way of breaking the deadlock in negotiations with the United Kingdom Air Service agreement.

When we broke off talks two years ago, the position was that the British had accepted that St Lucia could designate BWIA to fly its London routes, but they wanted BWIA to start its flight from Hewanorra, and go into Gatwick (rather than Heathrow) since they would regard BWIA as a new airline under the St Lucia agreement, said the Permanent Secretary in the Ministry of Foreign Affairs Earl Huntley.

St Lucia did not accept this, since the British wanted at the same time to restrict the number of flights BWIA would operate for St Lucia, he said. Their argument was that BWIA was an established airline which was competing with B.A. on the London route. They basically could not have their cake and eat it, Huntley added.

Huntley said St Lucia strongly supported Trinidad's application for 5th freedom rights out of St Lucia under the U.K. -- Trinidad agreement because it would give St Lucia the extra London flights which we need for tourism purposes. He added: At the same time we would have suspended our designation of BWIA as the St Lucia carrier on the London route as designation would no longer be necessary since BWIA would have been flying the route anyway under the T and T agreement.

This would have allowed us to complete our negotiations with the British. The basic text was reportedly agreed upon, the outstanding issue being the route schedule. Huntley said the British position is therefore a set back and represents a totally uncooperative attitude, since despite the needs of the St Lucia market, B.A. will not put on extra flights to St Lucia. We will, therefore, have to engage in consultation with Trinidad and Tobago, BWIA, and other interested parties like Barbados, St Kitts to decide on the next step, he said.

BAHAMAS

LIBERAL PARTY'S HANNA DENIES CROSSING OVER TO FNM

FL252040 Bridgetown CANA in English 1721 GMT 25 May 87

[Excerpts] Nassau, Bahamas, May 25, CANA -- Former deputy prime minister, Arthur D. Hanna, has denied pre-election reports here that he was about to leave the ruling Progressive Liberal Party (PLP) because of his known differences with Prime Minister Sir Lynden Pindling.

Addressing about 3,000 people at a PLP rally here, the veteran parliamentarian said he had no intention of crossing the floor to the Free National Movement (FNM) after the forthcoming June 19 general election. If I wanted to join the FNM, I would, but I would do so as an honourable man in the style of a Bahamian hero of the revolution and the builder of our Bahamas, he declared. [passage omitted]

Hanna declared his commitment to the "principles of the PLP" and said he would "die for the principles on which the PLP was given birth." Speculation about a possible jumping of ship by Hanna was fuelled by the fact that the FNM will not contest the Ann's Town constituency he has held for years.

The weekend rally, which saw Hanna share the platform with Sir Lynden, was the first time in three years that Hanna addressed a PLP rally. With the FNM not contesting Ann's Town, Pindling told the rally the opposition party has been running the biggest con game on the Bahamian people.

He said the FNM has been telling the people that PLP members would cross the floor and join FNM ranks. [passage omitted]

HAITI

PIERRE CHARLES COMMENTS ON U.S. AID, ELECTIONS

FL252133 Mexico City NOTIMEX in Spanish 2130 GMT 23 May 87

[By correspondent Ana Maria Lazo]

[Excerpts] Panama City, 23 May (NOTIMEX) -- In an interview with NOTIMEX at the Panama City Airport, sociologist Gerard Pierre Charles has charged with the arrival of U.S. advisers in Haiti, that the American Government is trying to triple the number of Haitian troops. Pierre Charles, who taught at the National Autonomous University of Mexico during his exile, said the measure, announced in June 1986 by Secretary of State George Shultz, is a new political factor in post-Duvalier Haiti. [passage omitted]

Pierre Charles, who now lives in Haiti and takes part in the democratic political activity there, pointed out one of the U.S. objectives is to beef up the Haitian Army from 7,500 to 25,000 men and to reinforce its technical capabilities. Moreover, the provisional government is negotiating joint participation with the Dominican Armed Forces in the American plans. Proof of this is the construction of strategic roads linking the Haitian and Dominican sectors of the island, he pointed out. He also said that the U.S. military mission intends to train the Haitian Army in the antiriot techniques so it will act with the utmost professionalism and keep victims to a minimum.

Pierre Charles stated the disbanding of the 30,000 Tonton Macoutes, who controlled all of Haiti and were much more powerful than the Army, made the Americans feel the need to reinforce the regular Army. During the Duvalier dictatorship, he said, the public never expressed itself, but the present provisional military government has aroused public repudiation. [passage omitted]

The backdrop to the process of raising the Haitian people's awareness, Pierre Charles concluded, is the terrifying economic crisis. U.S. military advice now begins.

Pierre Charles does not dismiss the possibility that the U.S. Armed Forces, which right now are carrying out joint operations with the Honduran Army and are directly intervening in the counterinsurgency campaign in Guatemala and sending troops to Bolivia, will come to Caribbean waters.

As to political prospects during the November presidential elections, Pierre Charles noted the importance of the Constitution approved in May, which contains elements that guarantee the democratic process imposed despite the junta's opposition. [passage omitted] The democratic and left-wing sectors do not have candidates yet, nor have they officially announced their participation. The people suspect politicians, and becoming a candidate is in itself a disqualification, the Haitian sociologist concluded.

JAMAICA

SEAGA SAYS 'NOT READY TO CALL ELECTIONS'

FL231637 Bridgetown CANA in English 1541 GMT 23 May 87

[By Paget Defreitas]

[Text] Spanish Town, Jamaica, May 23, CANA -- Prime Minister Edward Seaga last night vowed to break Jamaican tradition and win a third term in government. But Seaga, who still has 19 months before he must go to the polls, said he was not yet ready to call an election.

We have to campaign because people don't know the record of the JLP (Jamaica Labour Party), Seaga told supporters. The prime minister, his party trailing badly in opinion polls, was speaking at a JLP rally in this former Jamaican capital to launch what he described as a get-to-know campaign. The party plans a blitz aimed at carrying the JLP's message that it has done well in difficult economic circumstances in a series of rapid-fire meetings that will touch all 14 parishes.

The strategy includes painting a picture of economic devastation when Michael Manley's left-wing People's National Party (PNP) was in office in the 1970's and to raise issues of the PNP's former close relationship with Cuba.

Seaga said he had cleared his diary of every Thursday and Friday for the rest of the year which he will put into party work. The JLP's increased activity had given rise to speculation that Seaga is planning to call general elections to take advantage of an upbeat response to his recent budget presentation and the current illness of PNP leader Manley.

But Seaga declared last night: I am not ready to call an election yet. I can't tell you whether it will be early or late, but get ready for I.D. (regular voter enumeration now in progress). No previous Jamaican leader has ever won a third term, and Seaga is trailing Manley badly in opinion polls. Tradition says nobody wins a third term, but I am accustomed to breaking tradition, Seaga declared. Based on tradition I would not be prime minister now, he added.

The later remark was apparently in reference to the fact that he is first Jamaican prime minister who neither came through the ranks of a trade union nor had close links with the labour movement. Breaking tradition meant hard work and the JLP was prepared, he said. We are out to break the tradition.

Seaga said that his government had made significant headway with the Jamaican economy, but said there were still problems. The next leader, there, has to have guts of steel because we are not out of problems yet. However, we need a third term to consolidate the economic gains and to move into rebuilding of the social infrastructure.

We are seeking the third term to do the things which have to be done and which would have been done had we not had to spend so much time repairing the damage left by the PNP. All this can be done by 1992 with the proper management, he said.

TRINIDAD AND TOBAGO

ROBINSON OUTLINES CARICOM TOPICS, TRAVEL PLANS

FL222246 Bridgetown CANA in English 1525 GMT 22 May 87

[Text] Port-of-Spain, Trinidad, May 20, CANA -- Since taking office last December, Trinidad and Tobago's new government has been preoccupied with shoring up the beleaguered 13-nation Caribbean Community (Caricom), Prime Minister A.N.R. Robinson said here last night. As you know when we came in, Caricom was about to disintegrate. In fact, many people had given up about Caricom...he told a news conference, in an apparent reference to chronic intraregional trade problems which forced scores of companies out of business, resulting in the loss of thousands of jobs in industry.

Our first step was to bring Caricom leaders together, establish communication, and seek to arrest the decline, and we are committed to taking measures, the prime minister said. He declined to give details, saying it would be better to wait and see what emanates from next month's annual summit of Caricom leader in St Lucia.

This was seen as a hint at a so far undisclosed important regional trade initiative on which Trinidad and Tobago, Barbados, and Guyana have reportedly been working. Robinson said however that Trinidad and Tobago will not attempt to throw its weight around at the June 30-July 3 summit. We will not be seeking to crowd the agenda...what we will be seeking to do is to look for areas where there can be agreement and seek to cement those areas...added Robinson, who has already had important bilateral discussions with counterparts from Jamaica, Barbados, and Guyana.

We believe that a quiet approach to the whole question of Caribbean unity and collaboration are very important indeed and we wouldn't want members of the Caricom to feel that because of our strategic position of strength, relative strength, that we are seeking to impose our views on Caricom.

In his first news conference for 1987, broadcast live on local radio and television, Robinson repeated that Port of Spain wishes to place on agenda of the St Lucia Summit proposals for a Caribbean court of appeal and a regional commission on human rights.

Robinson said he planned to attend this year's Commonwealth Heads of Government meeting in Canada, the September Commonwealth Finance Ministers' Meeting in Barbados, conferences by the International Monetary Fund (IMF) and the World Bank in Washington, and the 1987 Miami conference on the Caribbean scheduled for November.

Discusses Economic Difficulties

FL222327 Bridgetown CANA in English 1622 GMT 22 May 87

[By Debra Ransome]

[Text] Port-of-Spain, Trinidad, May 20, CANA -- Trinidad and Tobago's five-month-old government is experiencing some difficulty in raising the billion dollars (TT) needed to balance its 1987 budget, Prime Minister A.N.R. Robinson said here. He told a wide-ranging televised news conference last night that his administration had failed so far to fully raise either the TT791.5 million dollars targeted for foreign borrowing or the TT300 million dollars to be found locally, but remained optimistic.

There is time yet, he said, declining to comment further on the level of the shortfall or what other measures were in train to make up the 1987 budget shortfall. A public and private sector financial team left here last weekend for three weeks of consultation with the international monetary institutions in the United Kingdom, the United States, and Canada, the prime minister disclosed.

Robinson, who is also minister of finance, said government was reorganising its loss-making state iron and steel company (ISCOTT), with the help of World Bank affiliate, the International Finance Corporation (IFC), but there was no plan for immediate divestment.

His comments followed speculation government, in its new foreign investment thrust, had been seeking to sell off the multi-million dollar ISCOTT to foreign interests. Robinson was optimistic about meeting the country's foreign exchange demands in the face of a downturn in income from the key oil sector. He said the private sector had already reduced its demands for dwindling foreign exchange from some TT24 million dollars (one TT dollar; 27.7 U.S. cents) to 7 million dollars a week.

Personnel changes are imminent in the country's overseas missions, the prime minister said, and would be announced as soon as they are approved by the respective foreign governments.

Its a comprehensive thrust that we're making in order to re-inforce the measures that we're taking on the domestic scene in order to stabilise the situation both in respect of our domestic management and our external accounts, Robinson explained. He noted that government had already published a draft document on investment here and said it was the first of a series of policy papers which would guide formulation of an overall development plan.

Robinson said Trinidad and Tobago could not expect its oil fortunes to revert to good old days of the 1970's, but there were plans to diversify the economy through agriculture, tourism, and manufacturing: If we succeed, and I am sure we will, in developing those sectors, we will be in a better position than we were in the 70's. Defending money being spent on his native Tobago, Trinidad's sister island, Robinson said such expenditure was in line with government's planned upgrading of the country's tourism potential.

TRADE UNIONS REJECT ROBINSON STATEMENT ON PROTESTS

FL221938 Bridgetown CANA in English 1954 GMT 19 May 87

[Text] Port-of-Spain, Trinidad, May 19, CANA -- The local union representing civil servants today complained over statements made by Prime Minister A.N.R. Robinson which it said appeared to be intimidating the exercise of freedom of speech and association. Robinson said last week that some of the agitation in the streets over some measures taken by his five month old government had their origins in drug dealers and the government's campaign against the illicit drug trade.

What is particularly disturbing and dangerous is that the prime minister appears to be linking all or most protests in the streets and in the media against the government's injustice, as being drug inspired, said the Public Servants Association (PSA). The PSA earlier this year staged pickets to protest the government's removal of a cost of living allowance. The PSA complained that the statement villified all genuine protests by the country's trade unions and other groups and categorized them as drug related or inspired.

Suddenly, it now appears that the democratic constitutional right of individuals and organizations to protest against what they consider to be infringements of their rights by government is being labelled as drug related, and veiled threats are being sounded that citizens should be grateful that the new government did not embark on a process of liquidation on assuming office as has happened in most third world countries, the PSA said in an apparent reference to government spokesmen who have compared the country's change in power at the polls last December with more violent transitions in other parts of the third world.

The PSA, calling for a fuller explanation of the statement, said it viewed such pronouncements as dangerous and not in keeping with the democratic process.

CENTRAL BANK GOVERNOR ON 'SURPLUS FUNDS'

FL201355 Bridgetown CANA in English 1605 GMT 16 May 87

[By Courtney Gibson]

[Text] Georgetown, Guyana, May 16, CANA -- It is unusual for commercial banks to refuse money, they are doing just that. There is money, money everywhere in this cash-oriented society where the top currency note is the 20 dollar bill -- so much so that the banks are drowning in it at the moment.

According to some bankers, the problem has everything to do with the government's large budget deficit, high interest rates, and a high rate of inflation. But in the view of Governor of the (Central) Bank of Guyana, Pat Matthews, the country has been living above its means for far too long.

He cites a need for structural adjustment of the economy -- which would require substantial inflows of foreign exchange. We will have to bite the bullet, Matthews told CANA in an interview.

Without exception, the commercial banks here are faced with the problem of high liquidity. One of them, the Bank of Baroda, a foreign-owned bank, has many of its customers worrying about the safety of their money following its decision to close its branch in New Amsterdam, Guyana's second major town, from June 15.

On the surface, the bank's operations in the town seemed rather lucrative. But faced with a serious surplus of funds and other problems, it decided it no longer made commercial sense to continue its operations there. The result is that thousands of its customers now have to find another bank or other banks, willing to absorb an estimated additional 100 million dollars (one g dollar; 10 U.S. cents).

But none of the other banks here seems interested. The National Bank of Industry and Commerce Ltd (NBIC), for example, has sought to limit its intake of funds by imposing an 25,000 dollars ceiling for deposits on which it is prepared to pay 11 [and] 1/2 percent interest per annum. On any amount above that, it will pay only 9.5 per cent per annum. But Managing Director of the bank Raymond Ackloo believes this measure can have only a limited impact.

People are more interested in the safety of their funds than in the interest their money earns. Some are willing to leave their money with us even if it earns no interest, Ackloo told CANA.

A major reason for the current problem affecting the banks, Ackloo explained, is that the traditional big borrowers from the banking system in recent years, the key bauxite and sugar industries in particular, are not now borrowing any significant amounts.

It is estimated that in 1985, for example, together the companies in these three sectors borrowed some 400 to 500 million dollars from the local banking system to finance their operations. But the Guyana Sugar Corporation Limited (GUYSUCO) returned to profitability last year after several years of large dificits. And, on May Day, President Hoyte told the nation that the bauxite company, the Guyana Mining Enterprise Limited (GUYMINE) will also be recording a profit this year -- the first time in several years.

In the meantime Bank of Guyana's figures show that the increase in surplus funds over the last year or so has been astronomical. Total bank loans peaked at 1,400 million dollars in January 1986 when total bank deposits were 1,800 million. A year later, in January 1987, total bank loans were 947 million dollars while total bank depostis were 2,196 million dollars.

The bank's aggregate surplus or unloaned funds therefore increased to 1,294 million dollars from 400 million dollars a year before -- an increase of nearly 900 million dollars or 223 per cent.

In the meantime, there has been no shortage of funds flowing into the banking system and it is now estimated that the banks have about 1,000 million dollars in funds which could well be uninvestable funds on which they may not earn any interest at all if a special deposit facility at the Central Bank, is withdrawn. The likelihood of this facility being withdrawn has been confirmed by Matthews.

This situation, according to some analysts, has been caused, if not aggravated, by the government's recently introduced policies to limit treasury bills and to issue only a small amount of the long-term debentures designed to defer the country's huge internal debt -- itself caused by the large fiscal deficits incurred in recent years.

Previously, a popular area of investment for the banks has been investing in government's treasury bills. This afforded them reasonable returns over a three-month period.

When this year's budget was introduced however, the government introduced one-year treasury bills and placed a ceiling on the existing 91-day treasury bills whose rates are now determined by competitive tendering. It also introduced a limited issue of 5-year debentures paying 18 per cent, instead of 15 per cent, per annum and [words indistinct] percent-annum.

These debentures are subject to a moratorium -- three years and five years respectively -- on interest and principal. The government also decided that special debenture issues will be given to existing large institutional holders of 91-day treasury bills.

The government's strategy, as was explained by Finance Minister Carl Greenidge in his budget presentation on January 16 this year, is intended to enable the government to transfer the burden of interest payments to sometime in the future. But therein lies the controversy. Some analysts ask, why postpone tackling the problem?

The government contended that its earlier measures were clearly not adequate as, for this year, government would be required to find an additional 266 million dollars to meet its interest obligations -- an 81 per cent increase in interest contrasting with increases in central government revenues of a mere 15 per cent.

Now that they are faced with this serious problem of excess cash in the system, the banks are not gearing themselves to cope with it.

But they contend that there are not many options opened to them except to reduce deposit rates drastically especially if the special deposit facility is withdrawn. One option is to pursue new types of lending to attract more borrowers.

One sector of the economy that has been doing very well in recent years is the gold mining sector which has literally been bombarding the banks seeking large loans to finance expanded operations in the country's vast hinterland. But the banks seem very wary of lending to this sector as it is considered a high risk sector and they have, as a consequence, adopted a very conservative approach. The NBIC is hoping to expand its mortgage lending primarily to the middle income group but even this group it is felt, can hardly afford to pay the 13 to 14 percent interest on the 150,000 dollars to 250,000 dollars that would be required for housebuilding.

The answer to the problems, Ackloo believes, lies in reducing interest rates to make it more attractive to borrow money and thereby stimulate business activity in the productive sector and at the same time, stimulate equity investment in new and untried ventures while giving the government an opportunity to actually reduce its debt servicing instead of merely trying to defer it. At the moment, the banks maintain an 18 per cent per annum on fixed deposits, and 11 1/2 per cent on savings deposits.

Ackloo concedes that reducing interest rates could have some disadvantages, for, should rates fall equally on assets and liabilities, the spread on funds -- i.e. the difference between interest earned and cost, the banks primary source of earnings -- will be reduced. He said his bank was, however, prepared to live with such an eventuality in view of the possible benefits to the overall economy. He also noted that there is one view that should there be a drop in the rates on deposits there is a possibility that inflation will be further fuelled with many persons being inclined not to save but to use their money to purchase land, gold, and other tangible assets.

"But, on the other hand, if we continue at high rates, government will have to create more money to meet its deficits which will also fuel inflation," Ackloo told CANA. The crux of the matter is whether to keep high interest rates, and create inflationary money to fund it or, instead, reduce bank deposit rates and fuel inflation when people try to purchase real goods, Ackloo added.

Matthews is decidedly of the view, however, that reducing interest rates is not the answer. He contended that the public was not borrowing from the banks, not because the interest rates are high, but because for more people to become involved in productive activities, they will also need to have access to foreign exchange which is just not available at the moment. In any event, he added, lowering interest rates would be one sure way of fuelling inflation, the rate of which, in any well-run economy, ought to be lower than interest rates. In addition, people have to be encouraged to save, and money must be diverted from the blackmarket, he said.

And, contending that the devaluation of the Guyana dollar by 56 per cent against the U.S. dollar earlier this year, will help a number of local entities, the bauxite and sugar companies included, to improve on their overall financial performance and generate surpluses, Matthews said that given the prevailing cirmcumstances, government needs badly to generate surpluses, reduce this indebtedness and reverse the situation.

We have been living above our means. We have got to enter a period of structural adjustment and this will require large inflows of foreign exchange. We will have to bite the bullet, Matthews told CANA. Matthews did not delve into details of any possible structural adjustment programme for Guyana. But there is increasing speculation here that some such arrangement is on the drawing board and receiving the attention of the World Bank, the International Monetary Fund and other agencies and governments.